

December 07, 2020

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400051

Scrip Code: 539940

Name of Scrip: MAXVIL

Sub: Notice of the 5th Annual General Meeting and Annual Report for the FY 2019-20

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 30, 34, 42 and 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our letter dated December 4, 2020 informing about the 5th Annual General Meeting (“AGM”) of the Company scheduled to be held on Wednesday, December 30, 2020 at 1400 hours (IST) through Video Conference (“VC”)/Other Audio Visual Means (“OAVM”) in compliance with circulars issued by the Ministry of Corporate Affairs and SEBI, we wish to inform the following:

1. The Annual Report for the financial year 2019-20 and the notice of AGM are being sent through electronic mode to all the members of the Company whose email addresses are registered with the Company/Depository Participant(s). These documents are also available on the Company’s website at www.maxvil.com.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, December 24, 2020 to Wednesday, December 30, 2020 (both days inclusive).
3. The Company is providing the facility to vote by electronic means (remote e-voting as well as e-voting at the AGM) on all the resolutions set out in the AGM notice to the members, who will be holding shares as on the cut-off date i.e. Wednesday, December 23, 2020. The remote e-voting will commence from Saturday, December 26, 2020, at 0900 hrs. and shall end on Tuesday, December 29, 2020 at 1700 hrs.
4. The Annual Report for the financial year 2019-20 and the Notice of AGM are enclosed herewith.

You are kindly requested to take the aforesaid on record.

Thanking you,
Yours faithfully,

For **Max Ventures and Industries Limited**



Saket Gupta
Company Secretary and Compliance Officer

Encl.: As above

Notice

NOTICE is hereby given that the Fifth Annual General Meeting ('AGM') of the Members of Max Ventures and Industries Limited ('the Company') will be held on Wednesday, December 30, 2020 at 1400 hours through Video Conference / Other Audio Visual Means, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Report of the Auditors thereon.
2. To appoint a director in place of Mr. Mohit Talwar (DIN: 02394694), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Arthur Harutyun Seter (DIN: 07440880), who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s S.R. Batliboi & Co., LLP, Chartered Accountants (Firm Registration No. 301003E), as the Statutory Auditors of the Company for another term of five consecutive years and to authorise the Board of Directors of the Company to fix their remuneration.

To consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), as amended from time to time, M/s S.R. Batliboi & Co., LLP, Chartered

Accountants (Firm Registration No. 301003E) be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the 10th AGM of the Company to be held in the year 2025 at such remuneration plus applicable tax, out of pocket expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Special Business:

5. To consider & if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Niten Malhan (DIN: 00614624), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from November 08, 2019 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for 5 (five) consecutive years i.e. upto November 07, 2024 and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters

and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To consider & if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Dinesh Kumar Mittal (DIN: 00040000), who was appointed as Non-Executive Independent Director of the Company for a period of 5 years effective January 15, 2016, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for 5 (five) consecutive years i.e. upto January 14, 2026, who shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To consider & if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Kummamuri Narasimha Murthy (DIN: 00023046), who was appointed

as Non-Executive Independent Director of the Company for a period of 5 years effective January 15, 2016, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for 5 (five) consecutive years i.e. upto January 14, 2026, who shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To consider and if thought fit to pass with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 ('Act') and the Rules made thereunder read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to the approval of the Central Government, if required and such other recommendations, approvals, sanctions if and when necessary, desirable and expedient in law, the consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Sahil Vachani (DIN: 00761695) as the Managing Director and Chief Executive Officer (CEO) of the Company for a period of five years effective January 15, 2021 up to January 14, 2026 on such terms and conditions as set out below, with liberty to the Board to alter, vary and modify the terms and conditions of the said appointment, in such manner as may be agreed upon by and between the Board of Directors and Mr. Sahil Vachani.

RESOLVED FURTHER THAT the remuneration payable to Mr. Sahil Vachani for the initial period of three years, i.e., from January 15, 2021 until January 14, 2024 shall not exceed Rs. 6,00,00,000/- (Rupees Six Crores) per annum as broadly set out as under:

- (i) Fixed Pay including basic pay, Provident Fund, Gratuity, Flexi Pay Components (such as leave travel allowance, car lease rentals, fuel reimbursements, vehicle maintenance, driving services, medical reimbursements etc.) and special/ other allowances with the authority to the Nomination & Remuneration Committee to determine and regulate the remuneration within the aforesaid limit, from time to time; and
- (ii) Variable Pay/ Bonus to be in the range of 0-65% of Annual Fixed Pay based on Individual as well as Company's performance and in accordance with the applicable Bonus Grid. The current applicable bonus grid is as follows:

G1-65%, G2-48.75%, G3-32.5%, G4-16.25%
The bonus grid is subject to review each year and can change at the discretion of the Nomination & Remuneration Committee and the Board of Directors based on market practices; and
- (iii) Long Term Incentive Plan: As determined by the Nomination & Remuneration Committee.

In addition to the remuneration and perquisites to be paid as aforesaid, and in accordance with the Company policy, Mr. Sahil Vachani shall be entitled to encashment of leave, company leased accommodation and related expenses, housing loan as per Company policy, personal accident insurance policy, health insurance (hospitalization) policy, travel insurance, Group Term Life Insurance, two club memberships and any other perquisite as per the policy/rules of the Company in force and/or as may be approved by the Board/Committee, from time to time. The Company shall also provide the facility of mobile phones/other communication instruments, including telephones installed at his residence.

RESOLVED FURTHER THAT, if in any financial year, during the term of office of Mr. Sahil Vachani as Managing Director and CEO, the Company has in-adequate profits as computed under the applicable provisions of the Act, he shall be entitled to receive the aforementioned remuneration as the minimum remuneration as provided under the Act.

RESOLVED FURTHER THAT the Company or Mr. Sahil Vachani shall be entitled at any time to terminate this appointment by giving three months written notice or payment of fixed pay in lieu thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or its Committee thereof, be and is hereby authorized to regulate the payment of remuneration to Mr. Sahil Vachani, Managing Director & CEO within the aforesaid limits, from time to time.

RESOLVED FURTHER THAT Mr. Sahil Vachani be and is hereby authorized to exercise such powers of management as may be delegated to him by the Board of Directors of the Company, from time to time, subject however, to the overall superintendence, control and direction of the Board/Chairman of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deed and things as may be necessary to give effect to the aforesaid resolution."

By Order of the Board
For **Max Ventures and Industries Limited**

Saket Gupta
Company Secretary
Membership No. ACS 20687

Place: Noida, U.P.

Date: December 04, 2020

NOTES:

1. A statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the AGM is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 5 to 8 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
2. Due to outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 14/2020 dated April 08, 2020 read with General Circular and General Circular No. 17/2020 dated April 13, 2020 and No. 20/2020 dated May 05, 2020 other applicable circulars issued by the Securities and Exchange Board of India ('SEBI'), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Fifth AGM of the Company shall be conducted through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 16 below and is also available on the website of the Company at www.maxvil.com.
3. Although, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself, however, since this AGM is being conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Details required under the provisions of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") ('SS-2') and Regulation 36 of Listing Regulations including brief profile of Directors seeking appointment/ reappointment, are annexed hereto.
5. Corporate members intending to appoint their authorised representatives to attend the AGM are requested to send to the Company scanned (PDF/JPEG format) certified copy of the Board Resolution, authorising their representative to attend and vote on their behalf at the AGM.
6. In accordance with, the General Circular No. 20/2020 dated May 05, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the Financial Statements (including Report of Board of Directors, Auditor's Report or other documents required to be attached therewith), said statements including this Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
7. Members holding shares in physical mode and who have not updated their e-mail addresses with the Company are requested to update their e-mail addresses by writing to the RTA at info@masserv.com along with the copy of the signed request letter mentioning the Folio No., name and address of the Member, copy of any one share certificate (front & back), self-attested copy of the PAN card, and self-attested copy of any document (eg.: Aadhar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their e-mail addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to the Company at investorhelpline@maxvil.com.
8. The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at www.maxvil.com, on the website of Stock Exchanges i.e. BSE Limited at

www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of NSDL at www.evoting.nsdl.com.

9. Members are informed that in case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
10. Relevant documents referred to in the accompanying Notice and the Statement along with document of terms and conditions of appointment of Independent Directors shall be available for inspection by the Members through electronic mode, basis the request being sent on e-mail id of the Company at investorhelpline@maxvil.com.
11. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Certificate from Statutory Auditors of the Company certifying that the implementation of ESOP Plan of the Company are being implemented in accordance with, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the resolution passed by the members will be available for inspection.
12. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, December 24, 2020 to Wednesday, December 30, 2020 (both days inclusive).
13. Members are requested to send all their correspondence directly to MAS Services Limited, Registrar & Share Transfer Agent of the Company at T-34, 2nd Floor, Okhla Industrial Area Phase II, New Delhi - 110020. Tel – 011 – 26387281/82/83, Fax-011-26387384; E-mail: info@masserv.com.
14. **Members are requested to notify to the Company/Registrar and Share Transfer Agent of their e-mail address and any change in the correspondence address. Also in case of shares held in dematerialized form the change of address needs to be amended in the records**

of the depository participants.

15. **The members holding shares in physical form are further requested to convert their shareholding from Physical form to Demat form with a Depository Participant of their choice. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, a major amendment has been made in Listing Regulations as per which transfer of securities shall not be processed unless securities are held in dematerialized form with a depository, w.e.f April 1, 2019. In other words, request for transfer of shares held in physical form will not be processed w.e.f. 01.04.2019 and it shall be mandatory to demat the securities for getting the shares transferred. Holding share in demat form has following advantages:**
 - i. **Freedom from physical storage**
 - ii. **Elimination of chances of theft, mutilation, defacement.**
 - iii. **Easy to sell and realize sale proceeds and/or dividend in the bank account linked with the Depository.**
 - iv. **Contribution to the 'Green Initiative'.**
16. **Procedure for joining the AGM through VC / OAVM**
 - (a) Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Members login where the E-Voting Event Number (EVEN) of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

- (b) For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM.
- (c) Members who need assistance before or during the AGM with use of technology, can:
 - Send a request at evoting@nsdl.co.in or use Toll free no.: 1800-222-990; or
 - Contact Mr. Amit Vishal, Senior Manager, NSDL at the designated e-mail ID: evoting@nsdl.co.in or AmitV@nsdl.co.in or at telephone number +91-99202 64780; or
 - Contact Mr. Deepanshu Rastogi, Assistant Manager, MAS Services Limited e-mail id info@masserv.com or at telephone number +91-11-26387281/82/83.
- (d) Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM. In case any Institutional Members, facing issues for participating in AGM can write to info@masserv.com.
- (e) Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- (f) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (g) As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/send their queries in advance mentioning their name, demat account number / folio number, e-mail id, mobile number and no. of shares held as on record date at e-mail id of the Company

investorhelpline@maxvil.com. Questions / queries received by the Company till 5.00 p.m. on Monday, December 28, 2020 shall only be considered and responded during the AGM.

- (h) The Company reserves the right to restrict the number of questions, as appropriate for smooth conduct of the AGM.

17. Procedure for remote e-voting and e-voting at the AGM

In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), Regulation 44 of the Listing Regulations and SS-2 on General Meetings issued by the ICSI, the Company is pleased to provide its members the facility to exercise their right to vote at AGM by electronic means from a place other than the venue of the AGM ('remote e-voting'). For this purpose, the Company has availed e-Voting Services provided by National Securities Depository Limited ('NSDL'). The complete details of instructions for e-voting are as provided below.

The facility for voting through ballot paper shall not be provided in ensuing AGM and members attending AGM who have not cast their vote through remote e-voting shall be able to cast their vote at AGM through e-voting. Members who would have already cast their vote through remote e-voting shall be entitled to attend the AGM but shall not have the right to vote again.

The instructions and other information relating to remote e-voting are as under:

- (a) In case of Shareholders receiving e-mail from NSDL:
 - I. Open e-mail and open PDF file viz: MVIL e-Voting.pdf with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - II. Launch internet browser by typing the URL: **www.evoting.nsdl.com**.

- III. Click on "Shareholder" – "Login"
- IV. Enter user ID and password as initial password noted in step (i) above. Click on "Login".
- v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- VI. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- VII. Select EVEN of Max Ventures and Industries Limited.
- VIII. The Cast Vote page will open. Now you are ready for e-voting.
- IX. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. Please note that once your vote is casted on the selected resolution, it cannot be modified subsequently. Voting has to be done for each item of the Notice separately for each demat accounts/ folios.
- X. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- XI. Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: sanjaygrover7@gmail.com with a copy marked to evoting@nsdl.co.in.
- (b) If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting your vote.
- (c) Any person who becomes a member of the Company after dispatch of the Notice of AGM and holding shares as on cut-off date i.e. December 23, 2020, may obtain the Login ID and Password by sending a request at evoting@nsdl.co.in or to the Company/ Registrar and Share Transfer Agent at info@masserv.com
- (d) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (e) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting User Manual for Shareholders, available at the download section of www.evoting.nsdl.com. Further, in case of grievances pertaining to the remote e-voting system, you may contact Ms. Pallavi Mhatre, Assistant Manager, NSDL, 4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, e-mail : evoting@nsdl.co.in or rajivr@nsdl.co.in, contact at 022-24994738 or at toll free number 1800-222-990.
- (f) Other Information:
 1. The remote e-voting period commences from Saturday, December 26, 2020, at 0900 hrs. and ends on Tuesday, December 29, 2020 at 1700 hrs. Thereafter, e-voting module shall also be available for voting by Members at AGM.
 2. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. December 23, 2020.
 3. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

A member may participate in the AGM even after exercising his right to vote through remote e-Voting but shall not be allowed to vote again at the AGM.

4. The Board of Directors has appointed Mr. Devesh Kumar Vasisht, (C.P. No. 13700), Partner, M/s Sanjay Grover & Associates, Company Secretaries having office at B-88, 1st Floor, Defence Colony, New Delhi- 110024, as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
5. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, within a period not exceeding forty eight (48) hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit forthwith to the Chairman or a person authorized by him in writing.
6. The Results shall be declared within forty-eight (48) hours of conclusion of the AGM and the Results along with the consolidated Scrutinizer's Report shall be immediately thereafter placed on the Company's website www.maxvil.com and on the website of NSDL and communicated to BSE Ltd. and National Stock Exchange of India Ltd.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102(1) of the Companies Act, 2013 ('the Act'), the following statement sets out all material facts relating to the business mentioned under item no. 4 to 8.

Item No. 4

The Members of the Company may note that M/s

S.R. Batliboi & Co., LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company by the Members of the Company at the Annual General Meeting ('AGM') held on September 27, 2016 till the conclusion of ensuing 5th AGM of the Company to be held in this year 2020. The Statutory Auditors were paid a fee of Rs. 28,50,000/- (Rupees Twenty Eight Lakh Fifty Thousand Only) plus applicable taxes for conducting the audit for the financial year 2019-20.

The Members may also note that pursuant to Section 139(2) of the Companies Act, 2013 ("Act"), the Company may re-appoint M/s S.R. Batliboi & Co., LLP, Chartered Accountants as the Statutory Auditors of the Company for one another term of five consecutive years. Accordingly, the Board of Directors of your Company on the recommendation of the Audit Committee, has in its meeting held on June 05, 2020, approved and recommended to the Members, re-appointment of M/s S.R. Batliboi & Co., LLP, Chartered Accountants as the Statutory Auditors of the Company for one another term of five consecutive years to hold office from the conclusion of ensuing AGM till the conclusion of the 10th AGM of the Company to be held in the year 2025 at such remuneration plus service tax, out of pocket expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

The Audit Committee and the Board of Directors of the Company have considered various factors like audit experience in the Company's operating segments, market standing of the firm, present clientele, etc., and found the present Auditors to be best suited for audit of the financial statements of the Company.

M/s S.R. Batliboi & Co., LLP, established in the year 2002, is a member firm in India of Ernst & Young Global Limited and is a part of S. R. Batliboi & Affiliates network of audit firms. They have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Promoter, Director or Key Managerial Personnel or their relative(s) is interested in the

proposed resolution.

Therefore, the Board of Directors recommends the resolution at Item No. 4 for your approval as an Ordinary Resolution.

Item No. 5

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Section 149, 161 and other applicable provisions of the Act, Mr. Niten Malhan (DIN: 00614624) was appointed by the Board of Directors as an Additional Director (Non-executive and Independent) of the Company w.e.f. November 08, 2019.

Pursuant to the provisions of Section 161 of the Act, he shall hold office up to the date of the ensuing AGM. The Company has received a notice in writing under the provisions of Section 160 of the Act from a Member of the Company proposing his candidature for the office of Director of the Company. The Company has received from him (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Act; and (iii) a declaration to the effect that he meets the criteria of Independence as provided in Section 149 of the Act.

The details of Mr. Niten Malhan such as brief profile, directorships in other companies, membership / chairmanship of Board Committees, number of Board meetings attended during the year and shareholding in the Company, have been set out in the annexure to this Notice. As a Non-Executive Independent Director, he shall not be entitled to any remuneration except sitting fee for attending the Board / Committee Meetings.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the Listing Regulations and the provisions of SS-2 issued by the Institute of Company Secretaries of India.

The Board of Directors of your Company are of the

opinion that Mr. Niten Malhan fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as Independent Director pursuant to the provisions of Section 149 of the Act. The Board of Directors of your Company is also of the opinion that he is independent of the management of the Company. The Board considers that his appointment as a Director of the Company would be of immense benefit to the Company.

Accordingly, your Directors recommend his appointment as an Independent Director, not liable to retire by rotation for 5 (five) consecutive years from November 08, 2019 till November 07, 2024.

None of the Promoter, Director or Key Managerial Personnel or their relative(s) is interested in the proposed resolution except Mr. Niten Malhan being an appointee.

Therefore, the Board of Directors recommends the resolution at Item No. 5 for your approval as an Ordinary Resolution.

Item No. 6

Mr. Dinesh Kumar Mittal (DIN: 00040000) was appointed as Independent Director by the members of the Company in the AGM held on September 26, 2016 to hold office for a period of 5 (Five) years effective from January 15, 2016 till January 14, 2021. The Board of Directors of your Company, on the basis of recommendation of the Nomination and Remuneration Committee, has re-appointed him as an Independent Director in its meeting held on October 26, 2020 for the second tenure of 5 (five) years w.e.f. January 15, 2021 till January 14, 2026.

Pursuant to the provisions of Section 149 of the Act, an Independent Director shall be eligible for re-appointment for another term of 5 (five) consecutive years on passing of a Special Resolution by the Members of the Company. The Company has received notice in writing under the provisions of Section 160 of the Act from a Member of the Company proposing his candidature for the office of Director of the Company. The Company has received from him (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation

in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Act; and (iii) a declaration to the effect that he meets the criteria of Independence as provided in Section 149 of the Act.

The details of Mr. D. K. Mittal such as brief profile, Directorships in other companies, membership / chairmanship of Board Committees, number of Board meetings attended during the year and shareholding in the Company, have been set out in the annexure to this Notice. As a Non-Executive Independent Director, he is not entitled to any remuneration except sitting fee for attending the Board / Committee Meetings.

This Explanatory Statement may also be regarded as a disclosure under the provisions of SS-2 issued by the Institute of Company Secretaries of India.

The Board of Directors of your Company is of the opinion that Mr. D. K. Mittal fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as Independent Director pursuant to the provisions of Section 149 of the Act. The Board of Directors of your Company is also of the opinion that he is independent of the management of the Company. The Board considers that his appointment as a Director of the Company would be of immense benefit to the Company. Accordingly, your Directors recommend his appointment as an Independent Director, not liable to retire by rotation for 5 (five) consecutive years from January 15, 2021 till January 14, 2026.

None of the Promoter, Director or Key Managerial Personnel or their relative(s) is interested in the proposed resolution except Mr. D. K. Mittal being an appointee.

Therefore, the Board of Directors recommends the resolution at Item No. 6 for your approval as a Special Resolution.

Item No. 7

Mr. Kummamuri Narasimha Murthy (DIN: 00023046) was appointed as Independent Director by the members of the Company in the AGM held on September 26, 2016 to hold office for a period of

5 (Five) years effective from January 15, 2016 till January 14, 2021. The Board of Directors of your Company, on the basis of recommendation of the Nomination and Remuneration Committee, has re-appointed him as an Independent Director in its meeting held on October 26, 2020 for the second tenure of 5 (five) years w.e.f. January 15, 2021 till January 14, 2026.

Pursuant to the provisions of Section 149 of the Act, an Independent Director shall be eligible for re-appointment for another term of 5 (five) consecutive years on passing of a Special Resolution by the Members of the Company. The Company has received notice in writing under the provisions of Section 160 of the Act from a Member of the Company proposing his candidature for the office of Director of the Company. The Company has received from him (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Act; and (iii) a declaration to the effect that he meets the criteria of Independence as provided in Section 149 of the Act.

The details of Mr. Murthy such as brief profile, Directorships in other companies, membership / chairmanship of Board Committees, number of Board meetings attended during the year and shareholding in the Company, have been set out in the annexure to this Notice. As a Non-Executive Independent Director, he is not entitled to any remuneration except sitting fee for attending the Board / Committee Meetings.

This Explanatory Statement may also be regarded as a disclosure under the provisions of SS-2 issued by the Institute of Company Secretaries of India.

The Board of Directors of your Company is of the opinion that Mr. Murthy fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as Independent Director pursuant to the provisions of Section 149 of the Act. The Board of Directors of your Company is also of the opinion that he is independent of the management of the Company. The Board considers that his

appointment as a Director of the Company would be of immense benefit to the Company. Accordingly, your Directors recommend his appointment as an Independent Director, not liable to retire by rotation for 5 (five) consecutive years from January 15, 2021 till January 14, 2026.

None of the Promoter, Director or Key Managerial Personnel or their relative(s) is interested in the proposed resolution except Mr. Murthy being an appointee.

Therefore, the Board of Directors recommends the resolution at Item No. 7 for your approval as a Special Resolution.

Item No. 8

Mr. Sahil Vachani (DIN: 00761695) was appointed as Managing Director and CEO of the Company for a period of 5 (five) years effective from January 15, 2016, pursuant to the provisions of Sections 196, 197, 198, 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V and other applicable provisions of the Act, by the Board of Directors in its meeting held on January 15, 2016 and the Members of the Company in the AGM held on September 27, 2016.

The Board of Directors of the Company in its meeting held on June 05, 2020, considering the recommendations of the Nomination & Remuneration Committee, had subject to the approval of the Members of the Company, decided to re-appoint Mr. Sahil Vachani as the Managing Director and Chief Executive Officer (CEO) of the Company for a period of five years effective January 15, 2021 up to January 14, 2026 on such terms and conditions as set out in proposed resolution no. 8.

The details of Mr. Sahil Vachani such as brief profile, directorships in other companies, membership / chairmanship of Board Committees, number of Board meetings attended during the year and shareholding in the Company, have been set out in the annexure to this Notice.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI Listing Regulations and the provisions of SS-2 issued by the

Institute of Company Secretaries of India.

Keeping in view the recommendations of the Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on June 05, 2020 has resolved to recommend the enabling resolution to Members of the Company. In view of the aforesaid, pursuant to the provisions of Sections 196, 197, 198, 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V and other applicable provisions of the Act or any statutory modification(s) or re-enactment(s) thereof, the approval of the Members is being sought as under:

- (A) Re-appointment of Mr. Sahil Vachani as the Managing Director and Chief Executive Officer (CEO) of the Company for a period of five years effective January 15, 2021 up to January 14, 2026 on such terms and conditions as set out in proposed resolution no. 8.
- (B) Mr. Sahil Vachani shall be entitled to terminate this appointment at any time by giving three months' written notice or payment of fixed pay in lieu thereof.
- (C) Nature of Duties: To carry out functions, exercise such powers and perform such duties as the Board shall, from time to time, in their absolute discretion determine and entrust to him and/ or as empowered by the Act.
- (D) Mr. Sahil Vachani be and is hereby authorized to exercise such powers of management as may be delegated to him by the Board of Directors of the Company, from time to time, however, subject to the overall superintendence, control and direction of the Board/ Chairman of the Company.
- (E) Mr. Sahil Vachani shall not be liable to retire by rotation.

The information required in terms of Clause (iv) of Section II of Part II of Schedule V to the Act is as under:

I. GENERAL INFORMATION

- (1) **Nature of the Industry:** The Company is the second Resulting Company pursuant to the Composite Scheme of Arrangement between Max Financial Services Limited (Formerly Max India Limited) (i.e. Demerged Company), Max India Limited (Formerly Taurus Ventures Limited) and Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited) and their respective shareholders and creditors sanctioned by the Hon'ble High Court of Punjab and Haryana. Max Speciality Films Limited ('MSF') was transferred from the Demerged Company to Max Ventures and Industries Limited on a going concern basis from the Appointed Date (i.e. April 01, 2015).

Presently, the Company along with its subsidiaries is engaged and/or exploring opportunities in the following businesses:

- (a) **Speciality Films Business:** Launched in 1988 as a division of the Max Financial Services Limited, MSF, a subsidiary of Max Ventures and Industries Limited, is an innovation leader in the Speciality Packaging Films business. It has a strategic partnership with Japan's Toppan Printing Co. Ltd., a leading global printing company. MSF is a top supplier of speciality packaging, labels, coating and thermal lamination films for the India and overseas markets.
- (b) **Real Estate Development Business:** Established in 2016, Max Estates Limited is the real estate arm of the Max Group and a wholly owned subsidiary of Max Ventures and Industries Limited. The core team of the Company's real estate vertical consists of project managers, planning and costing specialists, electrical, mechanical and civil specialists. The vertical leverages

the experience and expertise already developed by the various entities within the Max group and the promoter group. The real estate vertical will develop across the residential, hospitality, commercial and institutional segment with a focus on key growth areas in India in accordance with applicable laws. Its marquee projects include a one-of-its-kind commercial office space Max Towers, on the edge of South Delhi that opened its doors in 2019 and 222 Rajpur, a luxury residential villa community in Rajpur, Dehradun. It aims to create, build and operate Grade A+ office spaces in Delhi - NCR.

- (c) **Investment Business:** The third business of the Company is under the name of Max I. Limited, a wholly-owned subsidiary, which facilitates intellectual & financial support to promising and proven early-stage organizations across identified sunrise sectors. Max I. is a registered Non-Banking Financial Company and presently has investments in Azure Hospitality Pvt. Ltd., which owns and operates Mamagoto, a mid-scale casual dining restaurant chain, and Speedy Chow/Roll Maal, a quick service restaurant (QSR) format for Indian and Chinese street food and an Institutional Catering Service; and, FSN E-Commerce Ventures Private Limited, which owns the brand Nykaa.
- (d) **Facility and Asset Management Business:** Fourth line of business of the Company is under the name of Max Asset Services Limited, a wholly-owned subsidiary, which is aligned not only to provide facility management but to deliver superior services and experience to real estate customers. Originally, this vertical was incorporated under the name of Max Learning Limited, to provide educational consultancy services and matters related thereto.

Later, to align with group's ongoing focus on real estate opportunities, main objects of the Company were changed to focus on providing various services to the customers from asset management to creating community experiences, design execution and building services.

- (2) **Date of Commercial Production:** Not applicable as the Company is not involved in any manufacturing activity.
- (3) **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable
- (4) **Financial Performance based on given indicators:** The financial performance of the Company (audited) for FY 2018-19 and 2019-20 are as under:

(Rs. in Lakhs)

Financial Parameters	FY 2018-19	FY 2019-20
Gross Income	3,396.09	3,785.40
Net Profit as per Profit & Loss Account	891.08	1,138.72

- (5) **Export performance and net foreign exchange:** During the year under review, the Company did not have any export performance and net foreign exchange earnings. However, for the year ended March 31, 2020 the foreign exchange outgo was Rs. 69.40 Lakhs.
- (6) **Foreign investment or collaboration, if any:** The Company has investments from New York Life International Holdings Limited, Mauritius.

II. **INFORMATION ABOUT THE APPOINTEE**

- (1) **Background Details:** Mr. Sahil Vachani holds a bachelors' degree in management sciences from the University of Warwick, U.K. and has experience of over seventeen years. Mr. Sahil Vachani was a

banker with Citigroup in London, where he worked on mergers and acquisitions across the Middle East and Africa region. In the year 2004, he joined Dixon Technologies, a consumer appliance manufacturing firm as business head and setup new verticals across multiple locations and was involved in the launch of new products, setting up of new manufacturing facilities and establishing relationships with leading brands as customers. His next career progression was in the year 2008 as Co-founder and Managing Director of Dixon Appliances Pvt. Ltd. – a complete solutions provider for home appliances to the largest brands in India. In this role, he was responsible for creating the business from inception including designing of products, building the team, setting up the manufacturing facility, running the operations and building relationships with leading brands in India such as Panasonic, Godrej, LG, among others. The Company emerged as the single largest third party contract manufacturer of washing machines for the Indian market.

(2) **Past Remuneration:**

Mr. Sahil Vachani, Managing Director and CEO, is entitled to the annual remuneration not exceeding Rs. 4,80,00,000/- (Rupees Four Crores Eighty Lakhs Only) per annum till January 14, 2021, with liberty to the Board of Directors to alter, vary and modify the terms and conditions, in such manner as may be agreed upon by and between the Board and Mr. Sahil Vachani, as under:

- i. Fixed Pay including Basic, House Rent Allowance/ Company owned or leased accommodation, Provident Fund, Gratuity, Flexi Pay Components (such as leave travel allowance, car lease rentals, fuel reimbursements, vehicle maintenance, driving services, management allowance,

medical reimbursements etc.) with the authority to the Nomination & Remuneration Committee to determine and regulate the remuneration within aforesaid limit, from time to time, including annual increments considering achievements of Company MoS and individual performance rating;

- ii. Variable Pay/ Bonus to be paid based on Individual as well as Company's performance and in accordance with Company's Bonus Plan; and
- iii. Long Term Incentive Plan (LTIP): Cash LTIP of Rs. 1,80,00,000 (Rupees One Crore and Eighty Lakhs Only) granted in April 2019 and to be paid in three equal tranches of April 2020, April 2021 and April 2022 on terms as per the company's policy and as may be decided by the Nomination & Remuneration Committee from time to time.

In addition to the remuneration and perquisites to be paid as aforesaid, and in accordance with the Company Policy, Mr. Sahil Vachani, Managing Director & CEO is entitled to encashment of leave, housing loan as per company policy, personal accident insurance policy, health insurance (hospitalization) policy, travel insurance, Group Term Life Insurance, two club memberships and any other perquisites / benefits as per the policies / rules of the Company in force and / or as may be approved by the Board / Committee, from time to time. The Company shall also provide the facility of mobile phones/ other communication instruments, including telephones installed at his residence.

- (3) **Recognition or awards:** Mr. Sahil Vachani has been named amongst India's top '40 under 40' achievers by one of India's leading business magazines-Businessworld. He was shortlisted from a fray of 300 nominees across the country through an assessment done jointly by Grant Thornton India and the Businessworld editorial team.
- (4) **Job profile and his suitability:** Mr. Sahil Vachani has experience and expertise in setting up multi-disciplinary and diversified businesses. Considering the new businesses to be set up by the Company and the expertise, experience and knowledge of the appointee, Mr. Sahil Vachani is best suited for the position.
- (5) **Remuneration Proposed:** The details of the remuneration proposed is set out in the enabling resolution.
- (6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:** Mr. Sahil Vachani's present job responsibilities are to manage the whole of the affairs of the Company under the supervision of the Board. Accordingly, keeping in view the present scenario of pay package being offered by MNC/Class 'A' Indian Corporate(s), the proposed remuneration package matches with the prevailing remuneration package in the concerned industry, size of the Company, profile of the position etc.
- (7) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** Except to the extent of his employment with the Company, Mr. Sahil Vachani does not have any pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel.

III. OTHER INFORMATION

(1) **Reasons of loss or inadequate profits:**

The Company is a Resultant Company – 2 formed upon the demerger of erstwhile Max India Limited, whereas, the said demerger was effective from January 15, 2016 having an appointed date of April 1, 2015. Being the initial years of operations, the Company has inadequate profits.

(2) **Steps taken or proposed to be taken for improvement:**

The Company is undertaking various new business initiatives directly/through its subsidiary companies. At present, the Company is focusing and exploring various options for organic and inorganic growth of its businesses, its subsidiary businesses and new initiatives as mentioned aforesaid. The new businesses propose to be setup by the Company will have medium to long gestation period. These initiatives are expected to provide return to all stakeholders upon reaching to a sizeable level.

(3) **Expected increase in productivity and profits in measurable terms:**

The Company expects a significant increase in turnover as well as the profitability on account of the steps mentioned above in medium to long term.

The Board considers that increase in remuneration proposed to be paid to Mr. Sahil Vachani, Managing Director & CEO is equated with his expertise and work requirements for the growth and development of the Company and that his re-appointment as a Managing Director & CEO of the Company would be of immense benefit to the Company. Therefore, the Board of Directors recommends the resolution at item No. 8 for your approval as a special resolution.

Mr. Sahil Vachani being relative of Promoter(s), the Promoter group including Mr. Analjit Singh, Promoter of the Company will be deemed to be interested and concerned in the resolution. Further, Mr. Sahil Vachani and Mr. Analjit Singh in the capacity of a director will also be deemed to be interested and concerned in the resolution. Except to the extent mentioned herein above no other Director or Key Managerial Personnel or their relative(s) is interested and/or concerned in the resolution.

By Order of the Board
For **Max Ventures and Industries Limited**

Saket Gupta
Company Secretary
Membership No. ACS 20687

Place: Noida, U.P.

Date: December 04, 2020

ANNEXURE

Information of Director to be appointed and the Director seeking re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with provisions of the Companies Act, 2013 and SS- 2 issued by the Institute of Company Secretaries of India, as on the date of Notice, is as follows:

Name of Director	Mr. Mohit Talwar	Mr. Arthur Harutyun Seter	Mr. Niten Malhan
Age	60 years	62 years	49 years
Date of Appointment	January 15, 2016	February 17, 2017	November 08, 2019
Qualification	Post graduate from St. Stephen's College, Delhi University and Management Studies in Hospitality from the Oberoi School.	Bachelor's degree in Science (Operations Research) from Sussex University and Master's degree in Business Administration from Adelphi University. He also holds a Chartered Financial Analyst designation from The Institute of Chartered Financial Analysts, Virginia, United States of America.	Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad and studied Computer Science & Engineering at Indian Institute of Technology, New Delhi.
Experience and expertise	<p>Mr. Mohit Talwar is the Vice Chairman of the Max Group. He is also the Managing Director of Max Financial Services Limited and Max India Limited, and Vice Chairman of Max Ventures & Industries Limited (MaxVIL). In addition, he serves on the Boards of Max Life Insurance and Antara Senior Living.</p> <p>During his stint at the Max Group, he has successfully leveraged his strong relationships with institutional investors, hedge funds, banks and private equity firms, and led several complex corporate finance and financial structuring deals to ensure adequate investment and liquidity for the Group's operations. He has played a central role in executing key transactions including the recent restructuring of Max India with divestment of its healthcare and health insurance businesses. He is currently driving the ongoing joint venture transaction between Max Life and Axis Bank, and some of the other corporate transactions in which he has played a key role include the mega restructuring of the erstwhile Max India into three new listed companies, which received a significantly positive reaction from capital markets, setting up of Max Bupa Health Insurance in 2010, joint venture partnerships between Mitsui, Japan and Max Life, and Life Healthcare, South Africa and Max Healthcare. He has also overseen key transactions in MaxVIL, including the induction of Toppan Group as a strategic partner in Max Speciality Films, and a 22.5% stake sale to New York Life's subsidiary.</p> <p>A veteran in the Corporate Finance and Investment Banking industry, Mr. Mohit Talwar has a wealth of experience in Corporate Finance and Investment Banking, having spent 24 years in Wholesale Banking across global organizations such as Standard Chartered, ANZ Grindlays and Bank of Nova Scotia, prior to joining the Max Group.</p>	<p>Mr. Arthur Seter is a Non-Executive Director of our Company.</p> <p>Mr. Arthur H. Seter, CFA is a part-time consultant to New York Life. He advises New York Life on its investment activities in India and assists in client development activities in Asia. Mr. Seter is the Senior Vice President, Deputy Chief Investment Officer and Chief Derivatives Officer of New York Life.</p> <p>Mr. Seter joined New York Life in 1989 and before becoming the Deputy Chief Investment Officer of the Company in 2006, he served in positions of increasing responsibilities in the Real Estate and Investment Groups. Mr. Seter has nearly 40 years of investment experience, having previously worked at E.F. Hutton and L.F. Rothschild, first as a financial analyst and later as an investment banker specializing in mortgage finance.</p> <p>Mr. Seter graduated from Sussex University in England with a B.S. in Operations Research and earned an MBA from Adelphi University. He holds the Chartered Financial Analyst designation.</p>	<p>Mr. Niten Malhan is the founder and managing partner of New Mark Advisors LLP, an investment manager focused on applying the principles of private equity investing to small and mid-sized listed Indian companies with an aim to achieve long term compounding of capital. Prior to founding New Mark Advisors LLP in April 2018, he was the managing director and co-head of India at Warburg Pincus India Private Limited ("Warburg Pincus"), a global private equity firm. Mr. Niten joined Warburg Pincus in 2001 and became a partner at the firm in 2007. In 2012, he was appointed the co-head of the India business, co-leading a team of 15 investment professionals and a portfolio of over \$3 billion in value. Between 2012 and 2017, Mr. Niten was also a member of the global executive management group of the firm, a group of senior partners who lead different offices and industry groups at Warburg Pincus.</p> <p>He has served as member of the board of directors of several Warburg Pincus investee companies including Alliance Tire Company, AVTEC, Cleanmax Solar, DB Corp, Diligent Power Private Limited, Embassy Industrial Parks, Havells India Limited, Laurus Labs, Lemon Tree Hotels, Metropolis Healthcare Limited and Sintex Industries Limited. Mr. Niten has also served as the vice-chairman of the Indian Venture Capital and Private Equity Association.</p> <p>Prior to joining Warburg Pincus, he worked as director of business development at Stratum 8, a Silicon Valley technology start-up company. Before that, he was an engagement manager at McKinsey & Company, and worked in the India, South East Asia and Boston offices of the firm. Mr. Niten studied Computer Science & Engineering at Indian Institute of Technology, New Delhi, and completed his Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad.</p>

Name of Director	Mr. Mohit Talwar	Mr. Arthur Harutyun Seter	Mr. Niten Malhan
Remuneration Last Drawn	As mentioned in Report on Corporate Governance	As mentioned in Report on Corporate Governance	As mentioned in Report on Corporate Governance
Number of Meetings of Board attended during the year	As mentioned in Report on Corporate Governance	As mentioned in Report on Corporate Governance	As mentioned in Report on Corporate Governance
Shareholding (Equity shares of face value of Rs.10/- each)	1,64,418	Nil	Nil
Relationship with other Directors / KMPs	None	None	None
Directorships held in other Indian Listed Companies	1) Max Financial Services Limited 2) Max India Limited	None	1) Lemon Tree Hotels Limited
Directorships held in other Indian Companies (unlisted companies)	1) Antara Senior Living Limited 2) Max Life Insurance Company Limited	1) Jacob Ballas Capital India Pvt. Ltd. 2) Max Square Limited	1) Fleur Hotels Private Limited
Membership / Chairmanship of Committees of the Company	1) Audit Committee – Member 2) Nomination & Remuneration Committee – Member 3) Stakeholders Relationship Committee – Chairman 4) Investment & Finance Committee – Member 5) Corporate Social Responsibility Committee - Member	Nil	1) Audit Committee – Member 2) Stakeholders Relationship Committee – Member
Membership / Chairmanship of Committees held in other Indian companies	1) Max Financial Services Limited • Audit Committee- Member • Risk Management Committee- Member • Stakeholders Relationship Committee- Member • Corporate Social Responsibility Committee - Member 2) Max India Limited • Stakeholders Relationship Committee- Member 3) Max Life Insurance Company Limited • Investment Committee- Member 4) Antara Senior Living Limited • Nomination & Remuneration Committee - Member	1) Max Square Limited • Nomination and Remuneration Committee- Member	1) Lemon Tree Hotels Limited • Nomination and Remuneration Committee - Chairman • Audit Committee - Member 2) Fleur Hotels Private Limited • Audit Committee - Member

Name of Director	Mr. Sahil Vachani	Mr. Dinesh Kumar Mittal	Mr. K. N. Murthy
Age	37 years	67 years	63 years
Date of Appointment	January 15, 2016	January 15, 2016	January 15, 2016
Qualification	Bachelors' degree in management sciences from the University of Warwick, U.K.	Master's degree in physics with a specialisation in Electronics from the University of Allahabad, India.	Chartered Accountant and Cost Accountant
Experience and expertise	<p>Mr. Sahil Vachani has a diverse experience across various sectors including consumer durables and real estate. He started his career as a banker with Citigroup in London, where he worked on mergers and acquisitions across the Middle East and Africa region.</p> <p>In the year 2004, he joined Dixon Technologies, a consumer appliance manufacturing firm as business head and setup new verticals across multiple locations and was involved in the launch of new products, setting up of new manufacturing facilities and establishing relationships with leading brands as customers.</p> <p>His next career progression was in the year 2008 as Co-founder and Managing Director of Dixon Appliances Pvt. Ltd – a complete solutions provider for home appliances to the largest brands in India. In this role, he was responsible for creating the business from inception including designing of products, building the team, setting up the manufacturing facility, running the operations and building relationships with leading brands in India such as Panasonic, Godrej, LG, among others. The Company emerged as the single largest third party contract manufacturer of washing machines for the Indian market. In July 2015, Mr. Vachani sold his shareholding in the company to pursue new opportunities.</p>	<p>Mr D. K. Mittal is a former Indian Administrative Service (IAS) officer from the batch of 1977 and has served the Government of India in various capacities, including Secretary, Department of Financial Services, Secretary, Ministry of Corporate Affairs and Additional Secretary, Department of Commerce. He has hands-on experience in Infrastructure, International Trade, Urban Development, Renewable Energy, Agriculture Development and Micro- Credit, Corporate Governance, Banking, Insurance, Pension and Finance. He holds a master's degree in Physics with a specialization in Electronics from the University of Allahabad, India.</p>	<p>Mr. K N. Murthy entered the profession of Cost & Management Accountancy in 1983. He has been associated with the development of Cost & Management Information Systems for more than 150 companies across more than 45 industries. He has been closely involved in turning around multiple large corporates, focusing on systems improvement with a cost optimization approach.</p> <p>He has been associated with more than 45 High Level Committees as Chairman/Member both at national & state level. Presently, he is on the Boards of National Stock Exchange (NSE), NELCO (A TATA Enterprise), Max Life Insurance Company Ltd., Max Healthcare Institute Ltd., Max Specialty Films Ltd. etc.</p> <p>Earlier he was associated as a Director with Oil and Natural Gas Corporation Ltd. (ONGC), IDBI Bank Ltd., LIC Housing Finance Ltd., UTI Bank Ltd. (presently Axis Bank), Member Board of Supervision NABARD, Unit Trust of India (UTI), Infiniti Retail Limited (TATA Croma), IFCI Ltd., STCI Finance Ltd. (Formerly Securities Trading Corporation of India Ltd.), AP State Finance Corporation, APIDC Ltd. etc.</p> <p>He is also associated with the development of Cost Accounting Record Rules for many industries as a member of the Advisory Committee, Department of Corporate Affairs, Government of India. His contribution to the Costing & Management Accounting profession in India has been recognized by the Institute of Cost & Works Accountants of India (ICWAI) which honoured him with a citation in October 2007.</p>
Remuneration Last Drawn	As mentioned in Report on Corporate Governance	As mentioned in Report on Corporate Governance	As mentioned in Report on Corporate Governance
Number of Meetings of Board attended during the year	As mentioned in Report on Corporate Governance	As mentioned in Report on Corporate Governance	As mentioned in Report on Corporate Governance
Shareholding (Equity shares of face value of Rs.10/- each)	Nil	4,765	11,000

Name of Director	Mr. Sahil Vachani	Mr. Dinesh Kumar Mittal	Mr. K. N. Murthy
Relationship with other Directors / KMPs	Mr. Sahil Vachani is husband of Mrs. Tara Singh Vachani, daughter of Mr. Analjit Singh.	None	None
Directorships held in other Indian Listed Companies	1) Max Financial Services Limited	1) Max Financial Services Limited 2) Balrampur Chini Mills Limited 3) Bharti Airtel Limited 4) Trident Limited	1) NELCO Limited
Directorships held in other Indian Companies (unlisted companies)	1) Max Speciality Films Limited 2) Max I. Limited 3) Max Life Insurance Company Limited 4) Max Skill First Limited 5) TVP Investments Private Limited 6) Max Ventures Private Limited 7) Piveta Estates Private Limited 8) Vana Ventures Limited 9) Vitasta Estates Private Limited 10) Trophy Estates Private Limited 11) Siva Realty Ventures Private Limited 12) Hometrail Properties Private Limited 13) Siva Enterprises Private Limited 14) Wegmans Business Park Private Limited 15) SKA Diagnostic Private Limited	1) Max Life Insurance Company Limited 2) Max Bupa Health Insurance Company Limited 3) Shivalik Small Finance Bank Limited 4) Business Strategy Advisory Services Private Limited 5) HSBC Asset Management (India) Private Limited 6) Arohan Financial Services Limited 7) Ergos Business Solutions Private Limited	1) Max Speciality Films Limited 2) Max Healthcare Institute Limited 3) National Stock Exchange of India Ltd. 4) Max Life Insurance Company Limited 5) Srikari Management Consultants Private Limited
Membership / Chairmanship of Committees of the Company	1) Stakeholders Relationship Committee – Member 2) Investment & Finance Committee – Member 3) Corporate Social Responsibility Committee – Member	1) Audit Committee – Chairman 2) Nomination & Remuneration Committee – Member 3) Investment & Finance Committee – Member 4) Corporate Social Responsibility Committee – Member	1) Audit Committee – Member 2) Nomination & Remuneration Committee – Chairman 3) Investment & Finance Committee – Member

Name of Director	Mr. Sahil Vachani	Mr. Dinesh Kumar Mittal	Mr. K. N. Murthy
Membership / Chairmanship of Committees held in other Indian companies	<ol style="list-style-type: none"> 1) Max Financial Services Limited <ul style="list-style-type: none"> • Stakeholders Relationship Committee - Chairman 2) Max Speciality Films Limited <ul style="list-style-type: none"> • Audit Committee - Member • Corporate Social Responsibility Committee – Member • Nomination & Remuneration Committee - Member 	<ol style="list-style-type: none"> 1) Max Financial Services Limited <ul style="list-style-type: none"> • Audit Committee – Chairman • Stakeholders Relationship Committee – Member 2) Max Bupa Health Insurance Company Limited <ul style="list-style-type: none"> • Audit Committee – Chairman 3) Max Life Insurance Company Limited <ul style="list-style-type: none"> • Audit Committee - Member 4) Balrampur Chini Mills Limited <ul style="list-style-type: none"> • Audit Committee - Chairman 5) Bharti Airtel Limited <ul style="list-style-type: none"> • Stakeholders Relationship Committee - Member 6) Trident Limited <ul style="list-style-type: none"> • Audit Committee – Member 	<ol style="list-style-type: none"> 1) Max Speciality Films Limited <ul style="list-style-type: none"> • Audit Committee – Chairman 2) Max Life Insurance Company Limited <ul style="list-style-type: none"> • Audit Committee – Chairman 3) Max Healthcare Institute Limited <ul style="list-style-type: none"> • Audit Committee – Member • Stakeholders Relationship Committee – Chairman 4) NELCO Limited <ul style="list-style-type: none"> • Audit Committee – Chairman • Stakeholders Relationship Committee – Member 5) National Stock Exchange of India Limited <ul style="list-style-type: none"> • Audit Committee – Chairman

Navigating New Frontiers



Annual Report 2020

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Our Enterprise



Max Financial Services Limited (MFSL) is part of the leading business conglomerate – the Max Group. Focused on Life Insurance, MFSL owns and actively manages a 72.52% stake in Max Life Insurance, India's largest non-bank, private life insurance company. MFSL earned a revenue of ₹ 18,242 Cr. in FY2020. The Company is listed on the NSE and BSE. Besides a 28.3% holding by Analjit Singh sponsor family, some other shareholders include KKR, New York Life, Baron, Vanguard, Aberdeen, First Voyager, Jupiter and the Asset Management Companies of Reliance, HDFC, ICICI Prudential, Motilal Oswal, Aditya Birla Sun Life, Mirae, and Kotak. In April 2020, MFSL announced its intent to bring in India's third largest private bank, Axis Bank and its subsidiaries as a JV partner for its life insurance business Max Life.



Launched in 2000, Max Life is a Joint Venture (JV) with Mitsui Sumitomo Insurance, a Japan-headquartered global insurance leader. Max Life is India's largest non-bank private life insurer and the fourth largest private life insurance company, with gross premium of ₹ 16,184 Cr., a Claims Paid Ratio of 99.22%, a Market-Consistent Embedded Value (MCEV) of ₹ 9,977 Cr., and a sum assured of ₹ 9,13,660 Cr., with a total of 269 branch units across India. In April 2020, Max Life announced a strategic deal with India's third largest bank – Axis Bank to become a JV partner in the life insurance company. It was later modified for acquisition of up to 19% stake in the Company by Axis Bank Entities.



Max India Limited, a part of the leading Indian conglomerate Max Group, has a presence in the senior care and skilling industry. It is the holding company of Antara Senior Living Limited, Antara Assisted Care Services Limited and Max SkillFirst. The Company is listed on the NSE and BSE. Besides a 40.9% holding by Analjit Singh sponsor family, some other shareholders include Ward Ferry, Briarwood Capital, Locus Investments, International Finance Corporation, Target Asset Management, Doric Capital, New York Life Insurance, Nomura Singapore TVF, Dimensional, and Habrok.



Antara is a wholly owned subsidiary of Max India Limited. It is an integrated service provider for all senior care needs. It operates two main lines of businesses – Residence for Seniors and Assisted Care Services. Antara's first residential community in Dehradun consists of around 200 apartments spread across 14 acres of land. In 2020, Antara launched a new senior living facility in Noida, Sector-150. With 340 apartments in its first phase of development, it will be ready for possession by 2025. Antara's Assisted Care Services include 'Care Homes' and 'Care at Home'. They cater to seniors over the age of 55, who need more immersive interventions in their daily lives due to medical or age-related issues.



Max SkillFirst is a wholly owned subsidiary of Max India. Its vision is to improve the sales and service culture in India by being the most admired learning and development organization. The company employs over 540 professionals.



Incorporated in 2015, Max Ventures & Industries Limited (MaxVIL) operates across two core businesses of Real Estate and Specialty Packaging Films through its subsidiary companies - Max Estates Limited, Max Asset Services Limited, Max I. Limited and Max Speciality Films Limited. MaxVIL is listed on the NSE and BSE. Besides a 49.7% holding by Analjit Singh sponsor family, some other shareholders include New York Life and First State Investments.



Established in 2016, Max Estates is the real estate arm of the Max Group. It is a 100% subsidiary of MaxVIL. Its vision is to bring the Group's values of Excellence, Credibility and Sevabhav to the Indian real estate sector. Max Estates is focused on developing and operating Grade A build-to-lease office complexes. Through its Work Well concept, Max Estates offers workplaces which provide a blend of community building, technology and environment friendly features. Its commercial projects include Max Towers, on the edge of South Delhi that opened in 2019 and houses occupants such as Regus, Delphix, Udacity, Kama Ayurveda, L'Opera, Crossword among others and Max House, Okhla, a Grade A office campus located in South Delhi. Its upcoming projects include Max Square, in Sector 129, Noida which has equity participation from New York Life.



Max Asset Services Limited (MAS), a subsidiary of MaxVIL, focuses on providing Real Estate as a service in the form of facility management, community development and managed offices. It aims to bring life into buildings by implementing the Max Estates' Work Well philosophy through amenities and 'Pulse', which focuses on curating engaging events for office tenants.



Launched in 1988, Max Speciality Films, a subsidiary of MaxVIL, is an innovation leader in the Specialty Packaging Films business. It has a strategic partnership with Japan's Toppan Printing Co. Ltd., a leading global printing company. Max Speciality Films is a top supplier of specialty packaging, labels, coating and thermal lamination films for the Indian and overseas markets. Its volumes for FY20 stood at approx. 63,0000 metric tons. MSF remains committed to its focus of creating value added films and specialty products through research and innovation. Since the commissioning of its state-of-the-art line 5 in 2018, MSF has significantly increased its production of recyclability films.



Max I. is MaxVIL's wholly owned subsidiary, which facilitates intellectual and financial capital to promising and proven early stage organisations across identified sunrise sectors. Its investment model is a hybrid of accelerators and venture funding, providing both mentoring and growth capital for the organisations it invests in. Max I.'s key objective is to find and nurture companies synergistic to the real estate business of the Max Group through deeper engagement.



Launched in 2008, Max India Foundation (MIF) represents the Max Group's social responsibility efforts. It is focused on the creation of opportunities by empowering children through education and sustainable livelihood skills. MIF's most recent initiative is Social Emotional Ethical (SEE) Learning - a K to 12 education program to provide high quality, easy-to-use curricula and a comprehensive framework for educators and students for their holistic development. In the past, the Foundation's work focused on healthcare for the underprivileged and benefitted more than 35 Lakh people in over 800 locations since its inception.

Measures of Success

MaxVIL Consolidated Revenues

₹ 13,822 MN

50% 

Consolidated EBITDA

₹ 1,667 MN

784% 

Consolidated PAT

₹ 441 MN

Max Towers in Noida leased more than

50% of space to

marquee tenants at ~25% premium to micromarket

Max House, Okhla to launch in

Q2FY21

Max Square, Sector 129, Noida to begin construction of

0.7 million sq. ft. Grade A office space

ZERO Net Debt in Real Estate business

Gross Debt

₹ 1,010 MN

Overall Cash

₹ 1,056 MN

New York Life (NYL)

49%

financial partner in Max Square for

₹ 857 MN

Max Speciality Films' Revenue

9.80%  YoY to

₹ 9,660 MN

EBITDA

₹ 1,034 MN

156% 

Volume for Value Added Specialty Films

42%

8% 

Our Path



Our Vision

We aspire to become the most trusted and preferred real estate company with a strong North India footprint by outperforming the industry in Design, Functionality, Customer Experience and Return on Equity.



Our Mission

- Enhance the well-being of those who inhabit our spaces through exceptional design, sustainability and experiences.
- Be the most trusted and credible choice for customers, shareholders, and employees.
- Lead the market in quality, reputation and harnessing technology.
- Maintain cutting edge standards of governance.
- Be agile in adapting to evolving environment.

Our Values



Sevabhav

We encourage a culture of service and helpfulness so that our actions positively impact society. Our commitment to Seva defines and differentiates us.



Credibility

We give you our word. And we stand by it. No matter what. A 'No' uttered with the deepest conviction is better than a 'Yes' merely uttered to please, or worse, to avoid trouble. Our words are matched by our actions and behaviour.



Excellence

We gather the experts and the expertise to deliver the best solutions for life's many moments of truth. We never settle for good enough.

Board of Directors



Analjit Singh, Founder & Chairman, Max Group

Mr Analjit Singh is the Founder & Chairman of The Max Group, a leading Indian multi business enterprise, with interests in life insurance (Max Life), real estate (Max Estates) and senior care (Antara). The Max Group is renowned for successful joint ventures with some pre-eminent firms including Mitsui Sumitomo and Toppan, New York Life Insurance Company, Bupa Plc, Life Healthcare, DSM, Netherlands, Hutchison Whampoa, Motorola, Lockheed Martin and others.

Amongst privately held family businesses, Mr Analjit Singh is the founder of Leeu Collection, a group of leisure boutique hotels in Franschhoek, South Africa, The Lake District, UK and soon to be opened in Florence, Italy. The Leeu Collection also includes a significant presence in wine and viticulture through Mullineux Leeu Family Wines in SA.

Mr Analjit Singh was awarded the Padma Bhushan, India's second highest civilian honour, by the President of India in 2011. An alumnus of The Doon School and Shri Ram College of Commerce, University of Delhi, Mr Analjit Singh holds an MBA from the Graduate School of Management, Boston University. He has been conferred with an honorary doctorate by Amity University.

He is also a Director on the Board of Sofina NV/SA, Belgium. Till August 2018, he was the non-executive Chairman of Vodafone India.

Mr Analjit Singh is a member of the Founder Executive Board of the Indian School of Business (ISB), India's top ranked B-School and has served as Chairman of the Board of Governors of The Indian Institute of Technology and The Doon School.

Mr Analjit Singh has served on the Prime Minister's Indo US CEO and Indo UK CEO Council and till recently served as the Honorary Consul General of the Republic of San Marino in India.



Mohit Talwar, Vice Chairman, Max Ventures & Industries Ltd.

Mr Mohit Talwar is the Vice Chairman of Max Ventures & Industries Ltd. He is also the Managing Director of Max Financial Services Limited and Max India Limited. In addition, he serves on the Boards of Max Life Insurance and Antara Senior Living.

During his stint at the Max Group, he has successfully leveraged his strong relationships with institutional investors, hedge funds, banks and private equity firms, and led several complex corporate finance and financial structuring deals to ensure adequate investment and liquidity for the Group's operations. He has played a central role in executing key transactions including the recent restructuring of Max India with divestment of its healthcare and health insurance businesses. He is currently driving the ongoing joint venture transaction between Max Life and Axis Bank. Some of the other corporate transactions in which he has played a key role include the mega restructuring of the erstwhile Max India into three new listed companies, which received a significantly positive reaction from capital markets, setting up of Max Bupa Health Insurance in 2010, joint venture partnerships between Mitsui, Japan and Max Life, and Life Healthcare, South Africa and Max Healthcare. He has also overseen key transactions in MaxVIL, including the induction of Toppan Group as a strategic partner in Max Speciality Films, and a 22.5% stake sale to New York Life's subsidiary.

A veteran in the Corporate Finance and Investment Banking industry, Mr Mohit Talwar has a wealth of experience in Corporate Finance and Investment Banking, having spent 24 years in Wholesale Banking across global organizations such as Standard Chartered, ANZ Grindlays and Bank of Nova Scotia, prior to joining the Max Group.

**Sahil Vachani**, Managing Director & CEO

Mr Sahil Vachani is the Managing Director & CEO of Max Ventures and Industries Limited, one of the three listed companies of the US \$3 billion Indian conglomerate – the Max Group. He also serves as a Director on the Boards of Max Financial Services Limited and its subsidiary Max Life Insurance as a representative of the Owner Sponsor Group led by Mr Analjit Singh.

Sahil joined the Max Group in 2016 with a focus on creating a powerful Real Estate brand – Max Estates Limited and steering MaxVIL's other businesses towards growth. Since assuming his role at MaxVIL, he has successfully completed key transactions which will have an enduring impact on the Company's growth journey over the next few years. Sahil has also facilitated intellectual and financial capital to promising and proven early stage organisations across identified sunrise sectors led investments through Max I.

Sahil started his career as an investment banker with Citigroup in London, where he worked on Mergers and Acquisitions across the Middle East and Africa region. In 2004, he joined Dixon Technologies, a consumer appliance manufacturing firm as Business Head and set up new verticals across multiple locations. He was also involved in the launch of new products, setting up of new manufacturing facilities and establishing relationships with leading brands as customers. He then progressed as the Co-founder and Managing Director of Dixon Appliances Pvt. Ltd., where he was responsible for the business from inception including designing of products, building the team, setting up the manufacturing facility, operations and building relationships with leading brands in India such as Panasonic, Godrej, LG, among others. He holds a Bachelor's degree in Management Sciences from the University of Warwick, U.K. and an Executive Management Program on Disruptive Innovation from the Harvard Business School.

**Arthur Seter**, Director

Mr Arthur H. Seter, CFA is a part-time consultant to New York Life. He advises New York Life on its investment activities in India and assists in client development activities in Asia. Till July 31, 2020, Mr Seter was the Senior Vice President, Deputy Chief Investment Officer and Chief Derivatives Officer of New York Life.

Mr Seter joined New York Life in 1989 and before becoming the Deputy Chief Investment Officer of the Company in 2006, he served in positions of increasing responsibilities in the Real Estate and Investment Groups. Mr Seter has nearly 40 years of investment experience, having previously worked at E.F. Hutton and L.F. Rothschild, first as a financial analyst and later as an investment banker specialising in mortgage finance. Mr Seter graduated from Sussex University in England with a B.S. in Operations Research and earned an MBA from Adelphi University. He holds the Chartered Financial Analyst designation.



D.K. Mittal, Independent Director

Mr D. K. Mittal is a former Indian Administrative Service (IAS) officer from the batch of 1977 and has served the Government of India in various capacities, including Secretary, Department of Financial Services, Secretary, Ministry of Corporate Affairs and Additional Secretary, Department of Commerce. He has hands-on experience in Infrastructure, International Trade, Urban Development, Renewable Energy, Agriculture Development and Micro-Credit, Corporate Governance, Banking, Insurance, Pension and Finance. He holds a master's degree in physics with a specialisation in Electronics from the University of Allahabad, India.



Gauri Padmanabhan, Independent Director

Ms Gauri Padmanabhan is a Global Partner and leads the CEO & Board and Consumer Markets Practices for Heidrick & Struggles in India. She also oversees the Education Practice in South Asia. Before moving to her present position of leading the Consumer Markets Practice, Gauri set up and successfully built the Lifesciences Practice for Heidrick in India. A long-tenured partner, Gauri joined Heidrick & Struggles in 2000 and over the last 20 years has played a key role in building the business in India for Heidrick & Struggles. Working closely at the top with the leadership teams in India and the region, Gauri has assisted them in building their business and functional leadership teams in South Asia. Digital Transformation being high on her clients' agenda since 2017, she has also supported a number of them in building their digital leadership teams.

Her clients include large global and Indian corporations in the consumer, retail, luxury, hospitality and leisure, education, life sciences, and OTC sectors. Leading the CEO & Board Practice in India, Gauri works closely with Boards in addressing Board Room effectiveness and in fulfilling their D&I agenda. Through her extensive experience partnering with clients across the Consumer & Life Sciences Practice, she has built an extensive network that gives her access to leadership across these sectors in India and overseas.

Gauri has specialised in leadership searches at the Board and 'C' level. In meeting the leadership needs of her clients, she has been very successful not only in tapping Indian leadership talent both in India and overseas but also in bringing in expatriate talent into the country. Partnering with her clients in driving their digital & diversity agendas is a focus area for Gauri. Prior to joining Heidrick & Struggles, Gauri had a leadership role in a major direct-selling multinational with overall responsibility for customer services and delivery. As part of the senior management team, she was a key member of the Strategic Planning Group of Heidrick. Her career also includes general management, consulting, and teaching stints.



K.N. Murthy, Independent Director

Shri K Narasimha Murthy entered the profession of Cost & Management Accountancy in 1983. He has been associated with the development of Cost & Management Information Systems for more than 150 companies across more than 45 industries. He has been closely involved in turning around multiple large corporates, focusing on systems improvement with a cost optimization approach.

He has been associated with more than 45 High Level Committees as Chairman/Member both at national & state level. Presently, he is on the Boards of National Stock Exchange (NSE), NELCO (A TATA Enterprise), Max Life Insurance Company Ltd., Max Healthcare Institute Ltd., Max Ventures & Industries Ltd., Max Specialty Films Ltd.etc.

Earlier he was associated as a Director with Oil and Natural Gas Corporation Ltd (ONGC), IDBI Bank Ltd, LIC Housing Finance Ltd, UTI Bank Ltd.(presently Axis Bank), Member Board of Supervision NABARD, Unit Trust of India (UTI), Infiniti Retail Limited (TATA Croma), IFCI Ltd, STCI Finance Ltd. (Formerly Securities Trading Corporation of India Ltd.), AP State Finance Corporation, APIDC Ltd etc.

He is also associated with the development of Cost Accounting Record Rules for many industries as a member of the Advisory Committee, Department of Corporate Affairs, Government of India. His contribution to the Costing & Management Accounting profession in India has been recognised by the Institute of Cost & Works Accountants of India (ICWAI) which honoured him with a citation in October 2007.



Niten Malhan, Founder & Managing Partner of New Mark Advisors LLP

Mr Niten Malhan is the founder and managing partner of New Mark Advisors LLP, an investment manager focused on applying the principles of private equity investing to small and mid-sized listed Indian companies with an aim to achieve long term compounding of capital. Prior to founding New Mark Advisors LLP in April 2018, he was the managing director and co-head of India at Warburg Pincus India Private Limited ("Warburg Pincus"), a global private equity firm. Niten joined Warburg Pincus in 2001 and became a partner at the firm in 2007. In 2012, he was appointed the co-head of the India business, co-leading a team of 15 investment professionals and a portfolio of over \$3 billion in value. Between 2012 and 2017, Niten was also a member of the global executive management group of the firm, a group of senior partners who lead different offices and industry groups at Warburg Pincus.

He has served as member of the board of directors of several Warburg Pincus investee companies including Alliance Tire Company, AVTEC, Cleanmax Solar, DB Corp, Diligent Power Private Limited, Embassy Industrial Parks, Havells India Limited, Laurus Labs, Lemon Tree Hotels, Metropolis Healthcare Limited and Sintex Industries Limited. Niten has also served as the vice-chairman of the Indian Venture Capital and Private Equity Association.

Prior to joining Warburg Pincus, he worked as director of business development at Stratum 8, a Silicon Valley technology start-up company. Before that, he was an engagement manager at McKinsey & Company, and worked in the India, South East Asia and Boston offices of the firm. Niten studied Computer Science & Engineering at Indian Institute of Technology, New Delhi, and completed his Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad.

Max Estates Limited



Max Speciality Films Limited



Bishwajit Das

Director

Kishansingh Ramsinghaney

Director

Rishi Raj

Whole Time Director

Sahil Vachani

Chairman

Kishansingh Ramsinghaney

Director

K. N. Murthy

Independent Director

Sachio Otsuka

Director

Sonu Halan Bhasin

Independent Director

Subash Khanchand Bijlani

Independent Director

Takao Ikeda

Director

Max Asset Services Limited



Max I. Limited



Rohit Rajput
CEO & Director

Kishansingh Ramsinghaney
Director

Rishi Raj
Director

Nitin Kumar
Director

Rohit Rajput
Director

Sahil Vachani
Director

Max Towers Private Limited (Formerly Wise Zone Builders Private Limited)

Akshay Kumar Bhardwaj
Director & CFO

Bishwajit Das
Director

Gauri Padmanabhan
Director

Kishansingh Ramsinghaney
Director

Pharmax Corporation Limited

Anshul Gaurav
Director

Kiran Sharma
Independent Director

Kishansingh Ramsinghaney
Director

Rishi Raj
Director

Sanjay Khandelwal
Independent Director

Max Square Limited (Formerly Northern Propmart Solutions Limited)

Nitin Kumar

Chairman

Akhil Bhalla

Independent Director

Arthur Harutyun Seter

Director

Ka Luk Stanley Tai

Director

Kiran Sharma

Independent Director

Rishi Raj

Whole Time Director





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STRATEGIC REVIEW

Chairman & MD's Letter

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Chairman & MD's Letter



Dear Shareholders,
Greetings!

We may be in the same storm, but we all are not in the same boat. This perhaps is the defining statement that best describes the scenario since a global pandemic ravaged the world. It is a storm that refuses to ebb, forcing the world to create or invent ways of living, working and socialising within the persistent turmoil.

Nations, communities, and organizations are trying to discover the best ways of coping and eventually surviving. Every disruption creates opportunities for some, and this one is no different. Countries, where the pandemic started and peaked early, are now on course to economic revival. In such nations, factories have reopened, and businesses are starting to buzz. Some industries have benefited from the dramatic shift in consumer priorities. Many essential services as well as e-commerce and OTT players have seen supernormal demand – our specialty packaging films business, which is a critical supplier to food products and other fast-moving consumer goods being a case in point.

For most others, it will be the adaptable and the nimble who will be able to recover the earliest and grow faster. That has been the guiding philosophy for us at MaxVIL as we navigate our way through the current uncertainty. Till the lockdown started, our core business of commercial real estate, operated through our fully owned subsidiary Max Estates, was showing both progress and promise. Our flagship office building Max Towers had strong leasing momentum, with reputed global and Indian firms signing up to be occupiers at lease rents which were at 25% premium to the micro-market. We were grateful for this vindication that the Indian commercial estate market is ready to progress to the next stage of evolution with companies willing to pay for workplaces which have high build quality and aesthetics, are sustainable and environment-friendly, being managed impeccably through high technology integration, and provide a rich mix of recreation, amenities and community building activities. We love the simple term we have coined to describe such future-ready workplaces - #Work Well.

Towards the end of FY20, our second office building, Max House, Phase 1, in South Delhi's thriving business district of Okhla, was in the final stage of construction. Developed with the same mindset of *Work Well*, it had a busy pipeline of prospective occupiers. We were equally enthused with the land acquisition of our third office complex, a 7 mln sq ft project on Noida Expressway, which has emerged as the epicentre of Noida's service sector and residential growth. Convinced by our vision for commercial real estate and our operational capabilities, New York Life, our erstwhile Life Insurance Joint Venture partner and currently, the largest minority investor in MaxVIL, signed on as a 49% partner for the project.

The current economic turmoil has brought in uncertainty amongst corporates, both about their growth prospects as well as their office space requirements. We expect it to adversely impact office space demand for the first two quarters of FY 21. This will, however, be balanced by a decrease in fresh supply due to strained financials of developers in Delhi-NCR, our region of play. Resultantly, rentals, especially for Grade A+ developer owned and managed offices, should remain stable. Demand in the immediate future will be driven by occupiers shifting to competitively priced business districts, those consolidating multiple offices locations or some who aim to try the hub and spoke office model for reducing single location risk and to lower office commute time for their employees.

The current scenario is leading to well-run, large organizations emerging stronger. Such companies' preference for hygienic, well maintained Grade A workplaces will put us in a position of strength as office space demand revives. We have introduced a 'Zero Capex' solution for clients where we will take care of the design, build as well as up-front capital expenditure of the fit-outs to cater to the current cash conservation mindset and to enable the hassle-free transition of the occupiers to their new office space. Additionally, we have shifted to technology-enabled evaluation and sales journey in tune with the changing buying behaviour. Enquiries have restarted for Max Towers and for Max House, which will be completed by August 2020.

An important enabler of our real estate differentiation is a subsidiary named Max Asset Services (MAS). It is responsible for flawless facility management of our existing and future office complexes, driving property technology integration, running community-building program for all occupiers and offering managed office spaces to those occupiers who want to outsource all workspace creation and administration responsibilities. MAS is executing our current product offering innovations such as 'Zero Capex

solution' for customised furnished offices, for which we expect high customer preference in the near term. MAS has implemented a Five-S (Stay at Home, Staggering, Screening, Social Distancing and Sanitation) layer of protection at Max Towers to ensure health & safety of the occupants as they get back to the office.

We see many growth opportunities emerging in FY 21 and thereon due to the current disruption. We are keeping our powder dry and our financial partners engaged to capitalize on attractive real estate opportunities as they materialize. Our intent over the next three to five years is to create an asset-light capital model backed by pedigreed platform investors and gain scale as a developer and operator of differentiated office spaces.

Our other business, specialty packaging films, operated as a 51:49 strategic venture with leading Japanese conglomerate, Toppan, served as a perfect foil during the prolonged lockdown with increased demand for packaged food and other essential products. FY 20 was the year of revival with the supply overhang decreasing, while FY 21 promises to be one of superior revenue growth as well as contribution margin expansion. We expect the demand-supply situation to remain favourable in the near future and will continue our focus on increasing the mix of innovative, value-added and recyclable specialty films.

Our investment arm Max I. pivoted last year to become a real-tech startup accelerator. It is currently mentoring 5 startups in this space and may selectively invest small sums in those which continue to show promise. It still retains both its past investments, one of which in e-commerce space continues to grow well, while the other in the restaurant space has currently been impacted by the lockdown.

Adversity is often a good teacher. The current one is equipping the team to hunker down, strengthen their resolve, manage costs, and innovate operation models and service offerings. We are heartened to witness how all employees have collectively rallied to the cause and created stronger bonds even when they are interacting remotely. This to us is the best indicator that we are well on way to build a resilient and worthy organization which we and our shareholders should be proud of.

With all good wishes and gratitude for your support and confidence.

Analjit Singh
Founder & Chairman

Sahil Vachani
Managing Director & CEO





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MANAGEMENT DISCUSSION & ANALYSIS

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Management Discussion & Analysis

Max Ventures and Industries Limited



Sahil Vachani, Managing Director & CEO

Management Discussion & Analysis

Max Ventures & Industries Limited (MaxVIL)

GLOBAL ECONOMY

In the last quarter of FY 20, parts of the world starting with China began being affected by the COVID-19 pandemic. The contagion spread across the world rapidly since then, inflicting high and rising human costs worldwide. Protecting lives and allowing health care systems to cope required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis has therefore had a severe impact on economic activity.

As a result of the pandemic, the global economy is projected to contract sharply by 3 percent in FY 20, much worse than during the FY 09 global financial crisis. In a baseline scenario, which assumes that the pandemic fades in the second half of FY 20 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.4 percent in 2021 as economic activity normalises, helped by policy support.

Countries urgently need to work together to slow the spread of the virus and to develop a vaccine and therapies to counter the disease. Humanity has been struck by pandemics historically and every time, economies have recovered from it eventually.

INDIAN ECONOMY

In the first three quarters of FY 20, the Indian government took many important decisions for the development of country such as reduction of physical interference and transparency in GST and IT laws, focused steps to improve ease of doing business ranking, financial assistance to farmers, merger of public sector banks and actioning infrastructure projects worth over ₹ 100 Lakh Cr. towards realising the goal of a \$ 5 trillion economy.

However, in the last fortnight of March 2020, the government imposed a series of nationwide lockdowns to prevent the spread of the COVID-19 bringing the whole economy to the standstill for over two months, one of the harshest lockdown in comparison to other nations globally.

RBI has estimated India's GDP growth to be in negative territory in FY 21 as the outbreak of Coronavirus has disrupted economic activities. As per RBI, inflation outlook remains uncertain due to the outbreak of the COVID-19 pandemic; headline inflation may remain firm in the first

half of the year and may ease in the second half. Overall growth for the country may remain flat for the year, however sectors like Telecom, OTT, FMCG, Healthcare and Digital Technology, are expected to fare better.

To support the economy in the midst of distress, the Indian government has unveiled a stimulus package targeted at reviving the economy through a combination of fiscal support, monetary support, ease of doing business processes, as well as some fundamental reforms including accelerated privatisation and corporatisation of several sectors. Necessary measures to reduce contagion and to protect lives will take a toll on economic activity, however businesses with financial flexibility, agile organisation structure and strong underlying fundamentals armed with the vision to strengthen their business model are expected to fare better.

In addition, using the current crisis as an opportunity, the government has undertaken unprecedented structural reforms. Several industries have been de-regulated; labour reforms have been introduced, many state-owned enterprises privatised and government has opened its doors wider for Foreign Direct Investment. Even before the current crisis, India made the fastest progress in improving the ease of doing business improving from 142 in 2014 to 63 in FY 19, a jump of 79 places in a span of five years. Thus, we believe that India is well placed to grow in the long term as its growth story is strongly dependent on its own fundamentals.

MAX VENTURES & INDUSTRIES LIMITED

FY 20 was an important year for Max Ventures & Industries, in which we cemented our position in both our core verticals of Real Estate & Packaging Films.

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A biophilic flexible workspace at Max Towers, a premier office building by Max Estates, which also houses the MaxVIL corporate office

Max Estates Limited (MEL) is our primary subsidiary focusing on development of commercial real estate in NCR. Max Estates is complemented by Max Asset Services Limited (MAS) and Max I. Limited (Max I). Our legacy business of packaging films is operated through Max Speciality Films Limited (MSFL).

REAL ESTATE BUSINESSES

We ventured in the Real Estate business as we believe there is a demand-supply mismatch in the commercial real estate market in many pockets in the NCR especially in Grade A+ Commercial office space. With the strong brand equity built by Max Group through its various businesses in the last two decades, we believe we have put in place a sustainable strategy to bring a differentiated approach to real estate just the way we did in the past with Healthcare and Insurance. The Max brand has been created over the years on back of its philosophy of service, innovation and excellence in what we do and Max Estates intends to replicate the same in the Real Estate sector.

Max Estates Limited designs and delivers Grade A+ specifications for its projects inspired by its WorkWell philosophy that provides its occupants an energy-efficient and green work environment, a technology-enabled smart workspace designed to boost productivity while they are

working, a comprehensive community building program for all workplace occupants, world-class measures and protocols to ensure health, safety and security of occupiers and a vibrant food and recreation hub when they want to socialise or take a break. This enables the Company to be a preferred choice for tenants looking to occupy Grade A+ commercial office space in Delhi NCR.

We have seen success in this strategy especially with Max Towers, where we have achieved signify traction in leasing. Its leasing rates are at a premium to the prevailing rates in the immediate micro-market. Premium rentals at Max Towers signify the quality of our developments, innovation in products and differentiated solutions and customer centricity offered by us. Further, it is important to mention here that Max Towers has attracted an enviable tenant profile primarily from central business districts of New Delhi and in turn has re-defined the commercial Real Estate landscape of Noida in terms of product quality, tenant profile and rental realisation.

Our second Grade A+ commercial offering is Max House project in Okhla. Phase 1 of this project is almost complete. It was planned to be launched in April 2020, however, the lockdown in Delhi-NCR delayed the last mile completion resulting in a delay by a quarter. We expect to launch the

Having demonstrated the ability to complete real estate projects, achieve premium rental rates and attract global capital, Max Estates feels confident to achieve significant market share in the commercial office space in Delhi NCR.

project in Q2FY21 and are confident to achieve a similar reputed tenant profile as Max Towers for Max House. Once completed, Max House will be the only Grade A+ built to lease office in Okhla. With a strategic location combined with excellent accessibility and connectivity to the entire NCR, and the continuation of *WorkWell* design and practices, we are confident of achieving high occupancy levels in FY 21. Once launched, we expect to commence work on phase 2 of this project measuring ~2 Lakh sq. ft. which is expected to be ready for launch towards end of FY 22.

In FY 20, we started work on our third project. In November 2019, we announced acquisition of a prime land parcel in Sector 129 just off the Noida Expressway. This Grade A+ commercial project is named 'Max Square' and is being designed to house commercial office space as well as F&B and entertainment areas. For Max Square - we have onboarded our long-term trusted partner New York Life Insurance Company (NYL), one of the largest insurance companies in the world as co-investors. The project is housed in an SPV named Northern Propmart Solutions Limited. MEL holds 51% economic interest and NYL holds 49%. MEL is responsible for leasing and the final delivery of the project and will be entitled to a development management fee. NYL has shown a strong inclination to co-invest in the future developments with MEL.

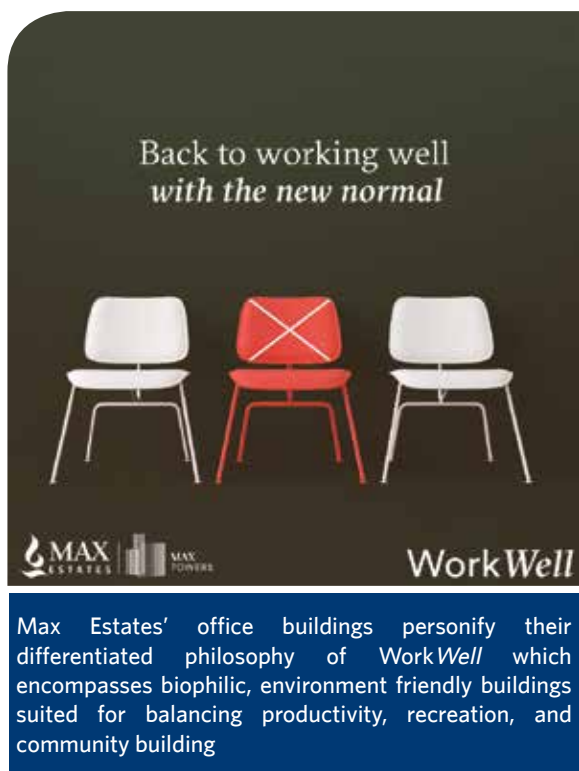
Max has a rich and successful history of partnerships with reputed global and domestic investors. MEL intends to capitalise on these partnerships and actively look for opportunities with them on joint development basis. This allows us to be capital light and at the same time expand our portfolio of offerings. This also opens up an additional revenue stream from development & management fee. Access to capital will be the most important factor for Real Estate going forward as limited liquidity has been and will continue to be the major concern for the industry in near term.

Demand for Grade A office space in Delhi NCR is expected to be least impacted post COVID-19 as compared to other major cities in India as supply was already constrained in the region and would be further curtailed due to overstretched balance sheets of the developers. In Delhi NCR our projects are located in and around Noida which is transforming to become the next commercial hub in NCR. Noida as a location is now the preferred choice for many companies as it offers high quality commercial office space experience, minutes away from Delhi and at relatively competitive and attractive rentals. Hence, there is a strong business case for companies to re-locate to Noida from Delhi and Gurgaon especially post COVID-19 to save costs and diversify within a city with hub and spoke model to reduce time to travel between home and office. Our success with Max Towers is a leading example of this.

There is likely to be a demand revival for office space which undertakes proper measures to contain the virus spread like screening, sanitation, air filtration and social distancing which will be essential for a safe working environment. MEL's experienced asset management team has implemented these best workplace measures to ensure a healthy work environment. Moreover, developer managed offices will continue to gain advantage versus strata sold offices, which will find it extremely difficult to implement the best practices required to ensure a safe and healthy working environment. This revival is expected to gain momentum from Q4 onwards, as companies would assess the impact on the business and accordingly strategise their requirement for new office spaces.

We expect the supply of office space to drop as due to the pandemic induced economic disruption, developers may not be in a position to complete developments owing to capital constraints and unavailability of labour. Max, being a credible brand with focus on Grade A+ commercial office segment and a strong balance sheet with access to capital, is well placed to benefit from the opportunity available.

The ongoing pandemic will bring many distressed opportunities in the market as developers would not be able to deliver on their commitment due to their stretched balance sheets and liquidity constraints. Having demonstrated our ability to complete real estate projects, achieve premium rental rates and attract global capital for our projects, we believe we are poised to achieve significant market share in the commercial office space in Delhi NCR.



It is important to note a new emerging trend of for work from home which if successful may reduce the new office space demand. There are some positives like saving on travel time due to work from home but at the same time due to unavailability of safe and secured digital infrastructure, this concept may take time to gain momentum especially when productivity assessment is taken under consideration. A positive trend coming out for commercial real estate is that demand for office space may increase due to the de-densification (higher space per employee) in an office.

Hence, there are two forces at play and we expect commercial real estate to show continued resilience in our core market of Delhi- NCR in times to come with new leaders and business models emerging.

Our other real estate subsidiary Max Asset Services Limited (MAS) focuses on providing services such as building operations management, as well as managed offices for enterprises. MAS leverages various technological tools such as mobile app, video analytics, visitor management etc. which help in managing costs while delivering superior customer experience. In addition, it plays a pivotal role in creating a vibrant well-kint working environment by creating interesting events, activities and

employee engagement initiatives through its program called 'Pulse'. MAS is currently playing a pivotal role in implementing the hygiene and health measures which are essential to contain the COVID-19 spread.

MaxVIL's subsidiary Max I. Limited pivoted its investment philosophy in FY 20 to focus on synergistic investment and mentorship opportunities with real estate businesses through "Maxcelerate", an ecosystem for real estate technology start-ups. For example, the ecosystem has helped us partner with a start-up, which is now developing a digital video tour of our office assets to engage clients via guided tour, critical in lieu of constrained inter-city travel. The key objective of Max I. is to find and nurture companies synergistic to the real estate business of the Max Group through deeper engagement. Existing investments for Max I. pre-pivot include 'FSN E-Commerce ventures Pvt. Ltd', an online multi-brand beauty retailer under the brand name 'Nykaa' & a creative food hospitality company - 'Azure Hospitality Pvt. Ltd.' We will look to monetise these investments at the opportune time and future investments will be focused only towards Real Estate tech companies.

Max I. has already been working with many start-ups in the field of air quality management, visitor management, video analytics solution etc. which will play a crucial role in implementing new age technologies to contain the spread of the virus.

Hence, we believe MEL with support from MAS & Max I. will become the most preferred brand in providing 'Real Estate solutions' at scale.

PACKAGING FILMS BUSINESS

Max Speciality Films Limited (MFSL) manufactures a vast range of BOPP films across a wide field of applications: graphic art, labelling, flexible packaging for processed foods, confectionery, non-food fast moving consumer goods (FMCG) and industrial goods. MaxVIL holds 51%

A positive trend coming out for Commercial Real Estate is that demand for office spaces may increase due to the de-densification (higher space per employee) in an office.

FY 20 has been a rebound year for our packaging business. EBIT increased from 228mn in FY 19 to 753mn in FY 20 while EBIT margins increased from 2.6% to 8.5% in this period. The value added specialty films contributed 42% to total volumes in FY 20 as compared to 34% in FY 19.

while Toppan holds 49% in MSFL as a strategic partner. Toppan is a Japan based global leader in printing.

FY 20 has been a rebound year for our packaging business. EBIT has increased from 228mn in FY 19 to 826mn in FY 20 and EBIT margins increased from 2.6% in FY 19 to 8.5% in FY 20. The value added specialty films contributed 42% to total volumes in FY 20 as compared to 34% in FY 19. It led to immense improvement in realisations and profitability for the business, supported by lower raw material cost due to fall in the crude oil prices. Our manufacturing facilities ran at optimum capacity utilisation throughout the year with higher contribution from more profitable value-added specialty films as against commodity films.

With the production of recyclable BOPP films, MSF supports the idea of recyclability and circularity. The Indian government's focus to reduce usage of single use plastic will benefit MSF as BOPP Films is a multi-layered product which is easier to recycle.

During the nation wise lockdown due to COVID-19, MSF tried its best to serve the country as it comes under essential goods industry category. With consumer preference shifting from unpacked foods to packed, safe and hygienic foods, the demand for MSF was strong and

it continued to operate during the lockdown after an initial shut down for 3 days.

This will improve the demand for packaging materials. MSF with a focus on research and innovation led speciality products is all set to benefit from the available opportunity. Demand from international markets will be uncertain due to the ongoing economic disruption but it will be compensated by healthy domestic demand.

Moreover, no major capacity addition is seen coming on-line for next year in the industry. Raw material prices which are crude oil linked are expected to remain soft for the next year. With increased realisation for our products, better demand-supply situation and soft raw material prices and our continued focus on innovation and increase in the specialty product mix, we expect the business to flourish in the coming fiscal year.

CHANGES IN KEY RATIOS

The details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor are as follows:

- Debtor turnover ratio of the Company have improved from 7.12 times in FY 19 to 9.90 times in FY 20 on account of better collection efficiency in packaging films business.
- Current ratio has decreased from 1.90 times in FY 19 to 0.94 times in FY 20 on account of deployment of proceeds as per objects of rights issue which was concluded in FY 19.
- Operating profit margin has improved by 505% from 2.0% in FY 19 to 12.1% in FY 20 and net profit margin has improved from (-)3.3% in FY 19 to 4.8% in FY 20 on account of sharp turnaround in packaging films business, cost optimisation, sale of space in our first commercial project Max Towers in H1FY20 as well as gain from partial stake sale of our investments in FSN E-Commerce Ventures Private Limited – the owner of brand “Nykaa”.



Management Discussion & Analysis

Max Estates Limited



Sahil Vachani, Managing Director & CEO

Management Discussion & Analysis

Max Estates Limited



Max Towers, a Grade A LEED platinum commercial office development, stands tall at the entrance of Noida on the Delhi Noida Direct flyway

COMPANY OVERVIEW

Max Estates Limited (Max Estates) was established in 2016 with a vision to bring the Max Group's values of Sevabhav, Excellence and Credibility to the Indian real estate sector, which continues to face a significant trust deficit owing to unscrupulous practices, lack of transparency and inadequate regulatory oversight. In addition, the sector also continues to be a laggard in the adoption of digital technology that has the potential to drive operating efficiency and customer experience. Max Estates intends to capitalise on these opportunities, owing to the widespread acceptance and recognition of the Max brand, as well as its track record in innovation and execution quality.

Over the last few years, Max Estates has demonstrated end-to-end expertise across the real estate value chain including sourcing new opportunities, liasioning, project execution, asset management and operations. Our current portfolio is targeted to expand at 0.5 to 1 mn sq. ft. per year for the next 3 years.

Our flagship development, Max Towers has been a testimonial for Max Estates' capabilities. Max Estates was able to bring the project out of distress, demonstrating a sound understanding and capability of the real estate licensing and regulatory apparatus. Further, Max Estates completed the project within tight timelines and budget. Nearly 60 % of the total building was leased within the first year of its launch at a 25-30 % premium to the prevalent rental in its micro-market.

Further, it has attracted an enviable tenant profile primarily from the central business districts of New Delhi and in turn has redefined the commercial real estate landscape of Noida in terms of product quality, tenant profile and rental realisation. Max Towers is a LEED Platinum Green building, setting the bar for sustainable development in the office space sector.

At Max House, Phase 1 of the development is in progress. Factoring in some delays due to the lockdown, the first phase is now expected to be completed and ready for handover to potential tenants in Q2 of FY 21.



In its first phase, Max House, Okhla, a contemporary office development in the heart of New Delhi, is now welcoming occupiers

REAL ESTATE SECTOR IN INDIA

The last few years have been remarkable for commercial real estate in India both from the perspective of demand-supply trend as well as foreign investment. There has been a steady rise in global occupants as the quality of commercial assets has improved. Foreign Direct Investment has also seen a tectonic shift from residential to commercial with the share of commercial growing from 33% in 2015 to 70% in FY 19. Industry estimates of the Indian real estate market, prior to the COVID-19 outbreak, were projected to be \$ 650 Bn by 2025 and \$ 1,000 Bn by 2030.

COVID-19 IMPACT ON REAL ESTATE

COVID-19 has further highlighted the problems of the already beleaguered Indian residential real estate while hitting the pause button on the booming commercial

realty cycle. It is likely to dampen the housing demand, which was already tapering for the past few quarters and developers might defer launches until the festive season. Retail consumption, which too was struggling due to muted economic growth, will be further impacted as consumers curtail discretionary spends and practice 'social distancing'. Office spaces, while presumably the fastest one to recover, will have to contend with slowdown in leasing decisions in the coming two quarters.

In the near term, we expect the real estate sales and leasing activities to be slow considering the uncertain economic outlook. However, we believe companies with strong balance sheets, a credible brand and a portfolio focused on Grade A commercial office segments are not only best placed to weather this storm but will also convert the crisis into an opportunity and emerge a winner.

COMMERCIAL REAL ESTATE

The Indian commercial office sector has been growing with corporate expansions-led space absorption reaching a peak in calendar year (CY) 2019. Major occupiers committed to large spaces to accommodate their ambitious growth plans. Despite a global slowdown earlier this year due to a trade war, the Indian office market remained insulated as occupiers looked to expand their operations. The ability of Indian cities to offer sub-dollar rental values for ITES companies and sub-one and half dollar rental values for IT companies drove consistent growth in leasing. The net absorption in top 7 cities was recorded at 40 Mn sq ft. in CY 2019, growing by 19 % over CY 2018. New completions also kept pace with rising demand and stood at 46.5 Mn sq ft. in 2019, recording a 21 % yearly growth. Overall vacancy remained almost stable at ~14 % by 2019-end.

However, this growth is unlikely to be carried into the current year. Amidst the pandemic and the global health crisis, the demand for office spaces is likely to drop. As many occupiers may not be able to assess the impact until the situation is resolved, they will reevaluate their position. While businesses might experience a significant slowdown, the expansion or consolidation plans may also be shelved. Net absorptions in FY 20 as estimated by several International Property Consultants is expected to drop by 17% to 34% from pre COVID-19 estimates. However, it is important to note that this may not necessarily lead to a price reduction since supply is also expected to be impacted by the same magnitude in lieu of balance sheet stress and liquidity crunch for several developers as well as a delay in construction due to disruptions in availability of labour and material.

Amidst this, on a micro level, we believe Grade A supply will be few and far in the micro markets we are currently present, and demand will migrate from strata-sold to developer-managed and operated Grade A developments

The total revenue earned by Max Estates during the year was ₹ 378.58 Cr., with an operating profit of ₹ 32.22 Cr.. The Company has secured lease commitments of ~1,40,000 sqft. of office and retail space in Max Towers.



222 Rajpur is Max Estates' luxurious residential community of 22 villas located in Dehradun

keeping in mind Employee Health and Safety (EHS) considerations.

PERFORMANCE HIGHLIGHTS

The total revenue earned by Max Estates during the year was ₹ 378.58 Cr., with an operating profit of ₹ 32.22 Cr.. The Company has secured lease commitments of ~1,40,000 sqft. of office and retail space in Max Towers. We pride ourselves in having several marquee names in our tenant profile. These clients have moved in from central business districts, reaffirming our core belief that occupiers are looking for modern and healthy environments to *Work Well*. We have also commanded 25-30 % premium as compared to other assets in the vicinity of Max Towers. Additionally, just prior to the lockdown triggered by a global pandemic, the Company was in the advanced stages of discussion on pre-commitment of ~40 % of office space in Phase 1 of the Max Towers, Okhla project. We expect these discussions to resume post lockdown as clients start to settle down in their respective businesses. The Company has been able to sell ~60% of the inventory in its Dehradun project (222 Rajpur). Owing to the poor overall sentiment in the luxury residential market, the offtake of the project has been slower than expected.

We believe that the real estate business, particularly commercial real estate, is cyclical and heavily dependent on the economic progress of the country. Hence, Max Estates has chosen to remain nimble footed, keeping itself net debt free as on March 31, 2020.

On the project execution front, the completion of Max House will be delayed by 2-3 months on account of the lockdown and is now expected to be ready for handover to tenants in Q2 of FY 21. As for Max Square, we have received several approvals (e.g., AAI, Fire). We are confident of recouping



Politician and celebrated author Shashi Tharoor takes stage at the Max Towers auditorium as part of Hunar Charcha. Such events are a part of Max Asset Services employee and community engagement program called "Pulse"

the loss in timelines due to the lockdown and bring the asset online as originally planned by end of Q4 of FY 22.

MARKET OUTLOOK AND FUTURE TRENDS

With slowing GDP growth rates, the US-China trade war and the fallout of Britain from the European Union, the global economy was already in a precarious place in FY 19. A global pandemic has further exposed the risk of a global recession in FY 20. At the time of writing this note, a severe demand shock was underway across the globe as discretionary spends are curtailed owing to rising unemployment and lockdown restrictions. In such a scenario, developers with financial muscle or with access to foreign direct capital via partnerships with financial investors can navigate these waters better than the unorganised developers.

While the impact of COVID-19 will result in the deferral of leasing decisions in the near term and as overall demand for commercial office space is expected to fall in FY 20, we continue to remain positive with respect to the attractiveness of commercial office space in the medium to long term.

The trend towards 'Work from Home' may structurally lead to lower demand for office space but the magnitude of the impact is yet to be ascertained. While there are multiple predictions in the wake of the current pandemic, we believe that the impact ultimately may not be as substantial as currently being predicted. While there are several positive aspects of 'Work from Home' including reduction in travel time, there are several limitations as well for this to become the most prominent model on how work gets delivered such as the suitability of Indian homes for a permanent working model, concerns around employee mental and physical health, issues with data confidentiality, among others. Having said that, with the

successful adaptation of work from home during the crisis, it has proved to be a solid backup option from a business continuity perspective.

At the same time, there are positive forces that can offset the negative impact on the demand for office space. For example, de-densification (higher space per employee) and portfolio diversification (hub and spoke model) to reduce the distance between office and home will drive the need for office spaces but spread out to multiple locations within a city.

In addition, the current pandemic and its impact on the bottom-line of companies is expected to strengthen the trend to outsource/offshore business activities to India. Particularly, companies from Europe which currently constitute only 10-12 % of the total office demand in India should increase their share along with several U.S. companies which do not yet have their Global In House Centres (GICs) in India. Parallely, sectors like Over-the-top (OTT), medical-technology, health analytics, gaming, pharma and FMCG companies are likely to do well and hence, generate demand for new office space.

Lastly, occupiers will attach a significant premium to developer owned and managed Grade A facilities to ensure Employee Health and Safety. At Max Estates, as a relatively new player in the space, we are ready to adapt to the evolving external environment and customer preferences to navigate through the current crisis and consolidate our position in the industry.

COVID-19 PANDEMIC COPING STRATEGY

In light of COVID-19 concerns, Max Estates' experienced asset management team implemented the best workplace measures and protocols in India for screening, sanitisation, air filtration, social distancing and others to ensure that Max Towers allows for a safe working environment without impacting productivity and collaboration.

While we expect some delays in leasing decisions by occupiers due to the COVID-19 pandemic, our business development and leasing teams have productively used the time during the lockdown to get a digital toolkit ready (e.g., virtual video based interactive tour) as well as curating innovative office space solutions (e.g., Zero capex plans) recognising the needs of office occupiers to relocate and diversify office portfolios while conserving cash and protecting employee health and safety. In fact, we closed a large leasing transaction (~25,000 sq. ft.) at Max Towers during the lockdown expedited by the need of the client to upgrade to a well-managed asset.

BUSINESS STRATEGY AND OUTLOOK

Max Estates aspires to be the most preferred brand in providing real estate solutions at scale in India over the next

decade. In its first growth horizon, Max Estates will continue to focus on expanding its commercial office footprint in NCR, building a portfolio of annuity yielding assets.

In order to do so successfully, Max Estates is focusing on the following priorities:

- **Product Quality:** As a strategy for commanding premium on rentals, Max Estates will differentiate itself along the quality of its product. We believe that while micro markets are very different – with diverse price points and tenant profiles – there is still a dearth of quality products to meet demand. Hence, Max Estates will strive to deliver a superior quality product catered to each of the micro markets we enter. This will entail intelligent product specifications, material choices and superior design built around the micro market tenant requirements backed by time-bound execution. Further, while product specifications and associated costing will be customised to the micro market economics, elements such as compliances, safety, finishing and sustainability will never be compromised.
- **Tenant Experience:** Our office assets will not only be developer owned, but also developer managed. Our operating vertical, Max Asset Services, will not only provide facility management services, but also curate conveniences for a superior tenant experience and develop a strong relationship with them through collaborating on events across personal and professional development, wellness, performing arts and sports to enhance their overall experience in keeping with our *Work Well* philosophy. Even during the lockdown, the team continued to engage the tenants at Max Towers through a series of online events such as yoga and meditation classes, health and nutrition classes as well as storytelling and art classes for kids amongst others.
- **Design and Technology:** Max Estates has proven its capability on design differentiation with Max Towers and will continue to leverage its design capabilities, customising them to each micro market we operate in. Our focus will be on creating flexibility around tenant space requirements (floor plates that can cater to both initial and subsequent expansion needs of tenants), longevity and future-proofing the products for technology innovation and work culture, sustainability and tenant experience. Further, Max Estates will continue to employ best-in-class technologies to ease execution and design development and to minimise execution risk and duration. In light of the expected changes driven by the pandemic, we are reviewing Max Square design and will ensure that the requisite changes (e.g., HVAC related) are incorporated.

Max Estates will continue to focus on the office space segment in FY 21, while adopting an asset-light approach. We have partnered with New York Life Insurance Company as 51:49 partners for our upcoming project – Max Square.

- **Capability Building to expand to New Micro Markets:** We will continue to strengthen leasing, liaisoning and construction capabilities to effectively serve across a range of micro markets within NCR with a wide spectrum of rentals, demand mix and regulatory landscape.
- **Efficient Capital Management:** We will opportunistically try to leverage our strong balance sheet and our partnership with New York Life to pick suitable opportunities. We are also in discussions with several funds and providers of equity capital for our future investments.
- **Leadership Bandwidth:** While continuing to maintain a lean corporate set-up, we will continue to invest in building organisational capacity, including leadership bandwidth in sync with the scale and scope of our current and aspired real estate portfolio.
- **Newer Asset Classes:** While pursuing the longer-term aspiration of becoming a preferred brand that provides real estate solutions, Max Estates will continue to scan the market and prioritise potential opportunities to diversify into new asset classes.

Max Estates will continue to focus on the office space segment in FY 21, while adopting an asset-light approach. We have partnered with New York Life Insurance Company as a 51:49 partner for our upcoming project – Max Square. We plan to grow our asset base through more such partnerships in the future. We are in active discussions about several growth opportunities across the National Capital Region (NCR) with a positive bias towards Gurugram. Simultaneously, several financial institutions and real estate funds have expressed their interest in partnering with a brand like ours for commercial real estate opportunities. We believe the current situation will bring several distress assets into the market, and Max Estates is well placed in terms of technical know-how and capital to absorb some selectively.



Management Discussion & Analysis

Max Speciality Films Limited



Ramneek Jain, Chief Executive Officer

Management Discussion & Analysis

Max Speciality Films Limited



A Max Speciality Films kiosk at the Label Expo Brussels event

ECONOMIC OVERVIEW AND IMPACT OF COVID-19

The Coronavirus pandemic, which began in November 2019, is expected to push the global economy into a recession. Even as India takes measures to minimise the impact of the pandemic, the GDP forecast for FY 21 reduced from an estimated 4.9% in FY 20 to 0.8%. One of the major factors for this decrease is an exponential reduction in consumer spending. Most small businesses are expected to close due to high market volatility, liquidity and operational issues, with the exception of essential goods companies.

During these unprecedented times, the essential goods industry is expected to survive although with issues such as stock piling, price volatility and transportation. Consumer and producer priority at this time is the consumers' health and safety. As consumer preferences shift from loose packaged products, a stability in demand is expected for the flexible packaging industry.

LATEST TRENDS

The global market for Bi-axially Oriented PolyPropylene (BOPP) films in FY 20 was 9 Million Tonnes Per Annum

(MTPA), of which India contributes just 380 Kilo Tonnes Per Annum (KTPA), about 4% of the global demand.

Apart from increasing health and safety concerns leading to a disproportionate increase in demand for certain segments of BOPP packaging such as Anti-microbial film, another noteworthy trend is the rising awareness around climate change, as a result of which governments and organisations are slowly yet steadily leaning towards a circular economy with a focus on recyclability. This is also trickling down to the packaging industry as multiple brands aspiring to implement recyclable packaging by 2025 are evaluating BOPP-based laminates to meet this objective.

ABOUT MAX SPECIALITY FILMS LIMITED

Max Speciality Films Limited (MSFL), a leading supplier of specialty packaging, labels, coating, and thermal lamination films, is a 51:49 strategic partnership between Max Ventures and Industries Ltd. (MaxVIL) and Toppan, a US \$13 billion Japan-based global leader in printing. MSFL is renowned globally as a producer of quality specialty packaging films, including graphic lamination films for print finishing, luxury packaging, and labelling films.

The Company exports approximately 25% of its total output. Its largest overseas market is in Europe. Its presence in demanding markets such as Japan and the Americas is also on the rise. MSFL has established a reputation over time for partnering with converters and brands to develop cutting-edge packaging, labelling and graphic lamination solutions. The Company works closely with converters and brands to develop new packaging solutions, covering a range of attributes, namely barrier, sealing reliability, special surfaces, haptics and optics, sustainability and others. MSFL's ultramodern facility in Railmajra, near Chandigarh, has four BOPP lines (one commissioned in Q1 of FY 19), three extrusion-coated lines, three chemical coating lines, and four metalliser lines.

MSFL has ordered a new state-of-the-art metalliser with alox coating in FY 20, which is expected to be commissioned by the end of FY 21.

The facility follows stringent global standards and has been awarded the following accreditations:

- ISO 9001-2008
- ISO 14001-2004
- OHSAS 18001-2007
- BRC/IOP (Food Safety)
- Hazard Analysis Critical Control Point (HACCP)

In addition, MSFL's quality lab has been awarded the coveted NABL accreditation. With its state-of-the-art technology, today MSFL can offer multiple advanced solutions for high-barrier requirements with sustainability at its core by focussing on thick monolayer films to support recyclability. For example, in an effort to reduce aluminium foil litter, MSFL has developed a range of metallised BOPP films which combine the flexibility of BOPP with the high oxygen and water vapour barrier characteristics of aluminium as a superior replacement of aluminium foil. The fast-growing food industry accounts for 66% of sales and output in India. Though the Company constitutes only 8% share of India's installed capacity, the specialty films segment makes up to 40% by volume and is expected to reach 50% in FY 21. To sustain its strong market position, the Company strives to meet customer requirements through innovative customised solutions and through customer engagement initiatives.

PERFORMANCE HIGHLIGHTS

FY 20 has been a favourable year for MSFL in terms of market pricing and volume offtake. A positive market initially coupled with brand connect, increased specialty sales, improved product portfolio and cost improvements

helped the Company move from a net loss of ₹ 18.6 Cr. in FY 19 to a profit of ₹ 22 Cr. in FY 20. MSFL has seen an EBITDA increase of 110% in FY 20 from FY 19.

Volumes for Q4FY20 stood at 15,001 MT as compared to 16,169 MT in Q3FY20. Volumes for FY 20 stood at 62,958 MT, a growth of 9% YoY with EBIT margins at 8% expanding by 590 bps on YoY basis. Further, value added specialty films contributed 42% to total volumes in FY 20 as compared to 34% in FY 19. Revenue contribution from more profitable value-added specialty films (BOPP + Coating) was at 40% in Q4FY20 and 38% in FY 20.

LINE 5 HIGHLIGHTS

In FY 18, MSFL commissioned a state-of-the-art BOPP line with the world's first inline BOPP coater. It's a five-layer line with an inbuilt capability to produce thicker films. Apart from capacity augmentation, the intent was to enter the technology labelling and packaging space and improve recyclability of the films. The new production line opened a plethora of opportunities such as better quality with online inspection, better line efficiency, and seamless speed. The strong foundation of R&D, coupled with management drive, has aided MSFL to develop solutions, which include Biaxially-oriented Polyethylene (BOPE) foil replacement, high barrier label films, Biaxially-oriented Polyethylene Terephthalate (BOPET) replacement, and metallised BOPET replacement films for various packaging requirements in line with the recyclability trends.

PEOPLE AND CUSTOMER CENTRICITY

MSFL's differentiator is its ability to sense the pulse of the industry when it comes to technological requirements and recognise the need for a holistic packaging solution. MSFL is able to do this with the help of its strong connect

FY 20 was a favourable year for MSFL in terms of market pricing and volume offtake. A positive market initially coupled with brand connect, increased specialty sales, improved product portfolio and cost improvements helped the company move from a net loss of ₹ 18.6 Cr. in FY 19 to a profit of ₹ 22 Cr. in FY 20.



The Max Speciality Films team bags the ET Best Brand award at ET Best Food Processing & Packaging Brands event

with end user brands as well as converters. Backed by the Company's traditional strengths in customer service, each solution is derived from an interactive process that involves understanding, collaboration, responsiveness, reliability, trust, and world-class quality. Customer satisfaction is paramount and is deeply embedded in the Company's culture and celebrated in the value system. The mantra of 'Customer Comes First' is followed by everyone without any exception. MSFL conducts various customer-centric initiatives throughout the year, some of which are:

- Stage gate innovation process and a well-equipped innovation centre
- An advanced CRM system to further strengthen customer engagement
- Investments in order and material tracking to improve customer service
- Review of all processes to improve responsiveness
- Comprehensive complaint-handling process that expedites resolutions
- Customer satisfaction survey

MSFL also believes that the people are its biggest asset. The Company is continuously striving to improve its work environment by practising an inclusive, transparent and ethical approach, with strong feedback systems such as safety satisfaction survey and employee satisfaction survey as part of its work ethics.

MSFL has institutionalised robust internal controls as well as management systems and processes through Enterprise Resource Planning (ERP) as well as manual safeguards. These are periodically audited by accrediting agencies. The performance is also reviewed with reference to the Company's budget, y-o-y variances and competition. The statutory and internal auditors also review the internal controls every year and the reports are shared with the Audit Committee for further evaluation.

RESPONSIBILITY TOWARDS THE ENVIRONMENT

MSFL is deeply committed towards its responsibilities in the ecosystem as a producer of polymer films, an employer and a corporate citizen. In FY 20, MSFL took the initiative to enter into post-consumer plastic waste recyclability space, contributing towards a shift to circular economy. Further, in collaboration with the Max Group's CSR arm - Max India Foundation (MIF), MSFL contributes generously to local communities in the areas of healthcare, nutrition, education and environment. The Company has taken steps to improve the sanitation and poor drainage system in the Railmajra neighbourhood. It also follows a strict Green Policy and has signed the code for Ecologically Sustainable Business Growth formulated by the Confederation of Indian Industry (CII). The safety of its employees and visitors is also of paramount importance, and MSFL continues to systematically identify and eliminate risks and hazards.



Technicians in action at the Max Speciality Films' research labs at its factory in Rail Majra, Punjab. The Company is an innovation leader in value added specialty films

OUTLOOK

With increased awareness around hygiene and the threat of invisible health hazards, MSFL looks forward to serving the nation through a continued supply of its plastic packaging film to essential industries. The changes in consumer behaviour coupled with an increased focus on recyclability would result in increased demand for BOPP plastic packaging, and MSFL is fully geared to fulfil it with its specialty segments, technology, and human resources.

MSFL will continue to focus on research and innovation led specialty products. While the demand from international

markets could be uncertain due to the ongoing economic disruption, MSF predicts that a strong in-house demand will compensate for it.

Moreover, no major capacity addition is seen coming on-line for next year in the industry. Raw material prices which are crude oil linked are expected to remain soft for the next year. With increased realisation for our products, better demand-supply situations, improved raw material prices, our continued focus on innovation and increase in the speciality product mix, MSFL is well on its course to maximise profits, contribute to the society and save the environment.

Business Responsibility Review



We believe that every child can contribute uniquely to the world. Hence, we are committed to partnering with stakeholders to provide applicable education to our future nation builders.

- Tara Singh Vachani, Managing Trustee, Max India Foundation

The calling to make a difference to someone's life, to serve humanity, and to give back to the society gave birth to the Max India Foundation (MIF). It is with this inclination that Mr Analjit Singh – Founder and Chairman of the Max Group – created Max India Foundation through a trust deed in 2002.

THE GENESIS: MIF 1.0

In 2008, MIF was launched formally as the Corporate Social Responsibility arm of the Max Group. Its charter was reconstituted with a specific focus on providing quality healthcare for underprivileged communities in India. It was considered as an apt choice since the country struggled with basic health issues and affordable healthcare. Besides, being in the 'Business of Life', the Max Group companies had access to a wealth of knowledge and expertise in the healthcare sector.

Since 2008, MIF has benefitted almost 35 lakh individuals in over 800 locations, while partnering with more than 450 NGOs. Through nearly 750 general and multi-specialty health camps across urban slums and rural areas in India, MIF helped treat more than 1,50,000 patients. Additionally, through its pan-India immunisation programs, MIF has administered over 17,000 immunisation shots against nine diseases across five Indian states.

The Foundation also adopted two village clusters in Uttarakhand – Dhakrani and Chandrothi and one in Punjab – Rail Majra, primarily for interventions on health-related issues such as sanitation and waste management to improve the quality of life for villagers. It has been over a decade of meaningful work for MIF.

FROM HEALTHCARE TO EDUCATION

“Education is the most powerful weapon which you can use to change the world.”

– Nelson Mandela

2019 brought a wave of transformation within the Max Group, with a shift from Healthcare to Real Estate and Senior Care while retaining some of the earlier businesses such as Life Insurance and Specialty Packaging. As the CSR arm of the Max Group, MIF also began to reassess its core areas.

After an extensive strategy realignment exercise, MIF chose to reinvent itself and identified Education as its new area of focus with a resolve to work towards plugging the gaps in India's education system, particularly in areas of

MIF has benefitted almost 35 lakh individuals in over 800 locations, while partnering with more than 450 NGOs. Through nearly 750 general and multi-specialty health camps across urban slums and rural areas in India.

values-based education and quality schooling.

Thus, effective April 2019, MIF 2.0 was born with Tara Singh Vachani as its Managing Trustee.

MIF 2.0: MISSION AND VISION

In this new approach, with education being the primary focus, MIF's objectives will be two-pronged:

1. It will directly drive and coordinate the science and practice of Social, Emotional Ethical (SEE) Learning, which fosters holistic education and the development of emotional intelligence for students and educators.
2. It will support credible NGOs and organisations with a good track record working in the area of foundational learning, through monetary assistance and contribution.

The following sections have more details on both the paths that MIF is pursuing:

EDUCATING THE HEART AND MIND

“The time for Social, Emotional & Ethical learning has come.”

– His Holiness, The XIV Dalai Lama

Social, Emotional, and Ethical (SEE) Learning™ is an innovative K-12 education program developed by Emory University in Atlanta, USA.

SEE Learning India is a collaboration between Max India Foundation and Emory University, USA. The SEE Learning India platform was launched in August 2019 following the signing of an MoU with Emory University. It is the nodal point for the dissemination of information, training and facilitation of educators embarking on the SEE Learning journey. It also

serves as a conduit between educational institutions such as schools and the research cells of universities and institutions gathering information in this domain.

SEE Learning provides educators with the tools they need to foster the development of emotional, social, and ethical intelligence for students and themselves. It has been developed with the help of a team of experts in developmental psychology, education, and neuroscience, as well as the vision and support of His Holiness the Dalai Lama, who has long called for the education of the heart and mind and a universal, non-sectarian approach to incorporating the ethical development of a child into education.

With the intent to build teacher capacity by training and supporting educators to both deeply understand the SEE Learning body of work and equip them to implement it within their own contexts, SEE Learning India conducts Level 1 Facilitator & Educator prep and CBCT® (Cognitively Based Compassion Training) Workshops. The first such sessions were organised in February 2020 in Delhi and Mumbai with over 180 participants across the two cities. These educators have now embarked on their SEE Learning journey, with a renewed commitment, not just towards bringing compassion into classrooms but also towards the well-being of the self.

Since its inception, SEE Learning India has conducted one-day orientations across 10 educational institutions in Delhi and Mumbai. It has also extended its reach to Ladakh through a partnership with Flowering Dharma - a youth initiative that aims to instill the virtues of compassion and ethics to preserve culture and tradition.

SEE Learning India has partnered with four trailblazers in the field of education - called Beacons - to act as its guides. They are Ravi Gulati, Co-Founder, Manzil, Vivek Kumar Founder, Kshmatatalaya Foundation, Anshu Dubey, Program Director, Piramal Foundation for Education Leadership and Rakhee Sharma, India Lead, Charter for Compassion.

SEE Learning India also initiated multiple weekly online initiatives, like 'Resilience Through Compassion - insights from CBCT®', 'Study Circle' with the idea to provide educators in India an opportunity to not just revisit SEE Learning content but also share their experiences, learnings, and clarify doubts with a larger group. Over 130 people participated in these online initiatives spanning over 10 sessions from different parts of the world.

To collaborate and disseminate awareness about holistic learning, SEE Learning is now a part of the Global Collective on SEL and Digital Learning by UNESCO - MGIEP.



SEE Learning Level 1 facilitator training held in Mumbai



MIF-supported Blossom Bus program helps underprivileged girls commute from their villages in Haryana to their schools

Supporting Foundational Education of the Underprivileged

MIF 2.0 also plays an enabling and supporting role to ensure the foundational learning of underprivileged children to empower them and provide them with an equal chance for further education and job opportunities, thereby changing their lives and those of their families.

In this journey, MIF has identified a few specialist NGO partners after a thorough evaluation.

The salient highlights of MIF's NGO-related initiatives for FY 20 are as below:

RE-IMAGINING EDUCATION: MIF supports Teach for India (TFI), a leading non-profit organisation that is committed to ensuring that every child in India attains an excellent education. TFI does this by recruiting outstanding college graduates and professionals as Fellows, who dedicate two years of their lives teaching at low-income schools.

Besides, the Kids Education Revolution (KER), an initiative piloted by TFI, is an attempt at reimagining the classroom, school, and education system with children at its core. The KER Week, which took place in Delhi in February 2020, brought together a diverse mix of students, leaders and educators working in various ways to reinvent education.

THE BLOSSOMING CHILD: MIF's long-time partners Rittana Children's Foundation enrolls children from a broad spectrum of marginalised families. The early childhood programme works with children in the age group of 2 to 12 years to promote functional literacy and provide extra support to girls. Some of the Montessori modules used by Rittana complement traditional learning methodologies and help children strengthen their basic concepts.

OPENING THE DOORS OF ALTERNATIVE EDUCATION:

MIF supports the education of out-of-school children through the Open Basic Education (OBE) Program of the National Institute of Open Schooling (NIOS) by the Aasra Trust in Dehradun. The children also learn various vocational skills as part of their curriculum.

THE ADOLESCENT YEARS: MIF also supports the Dasra's Educate Girls (EG) villages of the Srinagar block in Ajmer District. As part of the initiative, the Kishori Samuh has been constituted as a safe platform to get adolescent girls from the community to exchange their experiences and reasons for dropping out. They can get peer support and counselling on dealing with the issues and challenges they face daily.



Children express their gratitude to MIF for bridge classes at EQU+ study centres in Delhi that help them cope with studies

BUILDING A MOVEMENT OF TEACHER LEADERS:

MIF-supported Foster & Forge Foundation (F&F) regularly organises Learning Circles to train teachers and keep them updated on contemporary teaching techniques and other strategies including community project planning, role-play method as well as programs such as Gond Art, Children Lead Against Plastic (CLAP) project, etc.

KEEPING ABREAST THROUGH REMEDIAL CLASSES:

Besides assisting in admission to local government schools, Samarpan Foundation, supported by MIF, also provides remedial coaching classes to children from lower socio-economic backgrounds. This helps them understand the concepts, models, and theories which are a part of their school curriculum. Apart from academics, extracurricular activities such as regular yoga and taekwondo classes are also conducted.

GIVING A SECOND CHANCE TO LEARNING:

MIF supports 20 Education Quality Addition (EQU+) program study centres in Delhi, which continue to provide an educational lifeline and a safe and uplifting environment to almost 500 children of underprivileged families, for two hours in the evenings, six days a week in various communities. While classes focus on keeping children updated with their schoolwork, storytelling, dance, and drawing are also taught.

NON-SCHOLASTIC ENDEAVORS

THE JOY OF READING: MIF is committed to encouraging children to develop a reading habit. It supports the Pustakalaya initiative undertaken by the Angelique Foundation, which aims to install libraries in SMCD and NMCD schools at Delhi to enhance the reading and comprehension level of students in these schools.

GETTING ONTO THE SCHOOL BUS: MIF supports The Blossom Bus program by the White Lotus Charitable Trust, which aims to provide safe and free transport to school-going girls from villages in Haryana. Around 300+ girls studying in grade 6 to 12 travel from more than 15 villages to their schools in Hathin, Bahin, Solara, and Chaisa villages in Haryana's Palwal district, located three to nine kilometers away from their homes. This is a blessing for the girls who were earlier prone to dropping out of school without completing their education due to lack of transport.

ENVIRONMENTALLY AWARE STUDENTS: With the support of Max Life Insurance, Teach for India (TFI) Fellows initiated a Water Conservation Campaign aimed at conserving water through a nozzle that saves up to 60% flow and can fit easily in existing taps. Nozzles were distributed to Vivek Modern School and Gangotri School, Delhi to ensure that students conserve water regularly.



MIF-supported St. Jude provides holistic palliative care and support to children suffering from Cancer

ONGOING HEALTH INITIATIVES

MIF continued to fulfil some of its previous commitments towards providing health-related support through partner NGOs across the country, in the areas of preventive cancer screening and medical assistance for children with cancer, as well as the provision of holistic palliative care to patients and their families struggling with cancer and other life-threatening conditions.

The programs at the St. Jude India Childcare Centre supported by MIF have helped children with cancer, their families, and caregivers to widen their knowledge base and get exposure to numerous recreational activities. Some like celebrations of festivals and birthdays held at the Centre have imparted emotional and psychological support to the patients.

COVID-19 RELIEF MEASURES - MIF SPREADS ITS CARING ARMS

The growing COVID-19 pandemic put global communities and economies at a standstill. Multiple initiatives were taken by the government in preparedness and in response to the pandemic. MIF played its part by contributing towards relief measures, reducing educational inequity, and ensuring uninterrupted learning.

MIF, along with Max Life, set aside ₹ 5 Crore for COVID-19 relief initiatives. It donated ₹ 2 Crore from this fund to resume the education of over 8,000 underprivileged children in Delhi-NCR, through Teach for India.

TFI provided these children Internet connectivity for attending e-classes while the Fellows support them to focus on education as their families continue to cope with disrupted livelihoods.

Additionally, MIF, through TFI, also provided food and essential supplies to these children and their families – a total of 50,000 individuals to help them survive the pandemic.

MIF also provided cooked meals in Noida to nearly 58,000 unemployed migrant labourers, who were stranded due to the lockdown.

It also supported the Punjab Health Department by supplying nearly 30,000 N95 masks to the Department of Health & Family Welfare. Max Group employees also wholeheartedly lent their support to relief efforts by making donations.

STORIES OF TRANSFORMATIONAL LEARNING IMPACT IN SCHOOLS

Divya, a student who opened a library in her makeshift house in the Pragati Maidan slum

Divya studies at the NDMC, Kaka Nagar School. The Pustakalaya initiative of the Angelique Foundation had a great impact on Divya's value system and dreams. Before the Pustakalaya initiative, Divya begged outside the Pragati Maidan Shani Mandir and managed some pocket money for goodies. Seeing her interest in books, the initiative provided her with a mobile library with 100 books. Divya set up the library in the temple and her home. Many children from the nearby Pragati Maidan slum areas now go there and spend time after school to enjoy this resource and develop themselves in many ways. Divya also gives tuitions to the young children outside the same temple.



Inspired by Pustakalaya, a joint initiative of MIF and Angelique Foundation, Divya, a NDMC school student, opens a library at her makeshift house in the Pragati Maidan slum

Dilshean Kaur, an MIF supported Teach for India Fellow, talks about the exposure TFI brings to students

Earlier, students were focused on academic outcomes and never took a break to reflect on their performance or even their personalities. With TFI's efforts, they are now able to reflect on their strengths and weaknesses regularly, hence setting further goals.

Shweta Sharma, Teacher, Primary School Dadri 1 on her transformation as a teacher after joining the Foster and Forge Beacon Educator Fellowship program

Shweta joined the Beacon Educator Fellowship last year. This year she learnt new forms of craft like Papier-mâché and Gond art. Shweta also taught her students to think and talk without hesitation on different topics and helped increase their confidence levels.

OUTLOOK

Max India Foundation's primary focus will continue to be on supporting quality schooling that provides a robust foundation for learning and builds strong values among children.

The COVID-19 pandemic has ushered us into the world of online education. MIF will partner with credible NGOs and organisations using online learning to scale up their efforts and create a larger impact.

Going forward, SEE Learning India will focus on building educator capacity and a community of practitioners through various initiatives like the Incubation Program, Best Practices for Implementation etc. These are designed

to make the process of adapting SEE Learning as smooth and seamless to ensure translation and contextualisation of the SEE Learning curriculum to suit both the Indian urban and rural setting.

It will expand and strengthen the educator community by way on virtual orientations, bootcamps and Study Circles. The online Facilitator Certification Process and CBCT Retreat will kick off and conclude before the end of this calendar year, which will help us to empanel the first cohort of SEE Learning certified facilitators in India. These trainers will accelerate the introduction of SEE Learning as a concept and practice in Indian schools.





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CORPORATE GOVERNANCE REPORT

Corporate Governance
Report

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Corporate Governance Report

OUR CORPORATE GOVERNANCE PHILOSOPHY

Max Ventures and Industries Limited ('MaxVIL' or 'the Company') is committed towards maintaining the highest standards of Corporate Governance and recognizes that in today's environment, it is a critical driver for achieving excellence, attracting high-quality talent and optimising capital allocation across all business verticals. The Company believes that appropriate disclosure procedures, transparent accounting policies, strong and independent Board practices and highest levels of ethical standards are critical to enhance and retain all stakeholders' trust and generate sustainable corporate growth. It is the conviction with which MaxVIL has set in place systems, procedures and standards that are promoting good corporate governance standards within the Company.

To ensure strong discipline in capital management, robust performance management of the businesses and sustained value creation across all stakeholders, MaxVIL has implemented a comprehensive governance framework for itself and its subsidiaries. The framework entails implementation of various transformational initiatives across three key facets of governance:

Board Architecture

The Board in each of the operating companies stand re-configured to create the right composition with an ideal number of independent directors, ensuring board diversity with respect to functional and industry expertise, having active and engaged lead directors on each Board and separating the role of the CEO and the Chairman. In addition, a clear role for the Board has been articulated on areas like strategy formulation, monitoring financial health, leadership development, risk management and succession planning.

Board Processes

Various people processes of the Board have been optimized (viz. on-boarding of directors, Board education and business engagement, enabling independence, adherence to code of conduct etc.). Key operational aspects such as ensuring a comprehensive and well-balanced meeting agenda, timely and adequate information flow to the Board, inviting external participants to take Board sessions are in place to ensure that the Board time is spent optimally on all critical areas of the business.

All material matters to be considered by the Board are reviewed in specific committees of the Board that are composed of the right balance between executive, non-executive and independent Directors who add value to and are specifically qualified for the particular committee. Detailed charters are published for every committee of the Board.

Board Effectiveness

To enhance 'Board Effectiveness' and assess the Board's performance, an annual evaluation of Board Members is conducted and inter-company Board movements to be effected to ensure that the Board is well-equipped and engaged to take the right decisions for the business. In addition, various mechanisms have been implemented to improve the performance of the Board, which involves establishing clear standards of conduct & behaviour, setting a calendar of key governance interventions like strategy setting sessions, risk management sessions, consequence management etc.

BOARD OF DIRECTORS

As at March 31, 2020, your Board of Directors comprised of eight members comprising one Executive Director and seven Non-Executive Directors of which four are independent. Mr Analjit Singh, Chairman of the Company is a Promoter, Non- Executive Director.

In terms of Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") the Company has received declaration from Independent Directors confirming their independence from the Management. Also, the Board has evaluated the independence of Directors and opines that the Independent Directors fulfil the conditions specified in Listing Regulations and are independent of the Management.

Mr Analjit Singh, Chairman and Non- Executive Director and Mr Mohit Talwar, Vice Chairman and Non- Executive Director of the Company, were re-appointed by the Members of the Company in the Annual General Meeting held on September 24, 2019 upon their retirement by rotation.

Mr Niten Malhan, has been appointed as an Additional (Independent) Director of the Company for a period of

five (5) years effective from November 08, 2019 and Mr Ashok Brijmohan Kacker, an Independent Director of the Company, resigned from his position effective November 08, 2019 due to his pre- occupation. Mr Ashok Kacker had vide his resignation letter dated November 08, 2020, confirmed that there was no material reason for his resignation other than those mentioned here.

None of the Directors is a member in more than ten committees, or the Chairman of more than five committees, across all public limited companies in which he/she is a

Director. Mr Sahil Vachani is a relative of Mr Analjit Singh. Further, none of the other directors are related inter-se.

The composition of Directors and their attendance at the Board meeting held during the financial year ended March 31, 2020 ("FY 2020") and at the last Annual General Meeting, including the details of their other Directorships and Committee Memberships as on March 31, 2020 are given below:

Name of Director	Number of Board meetings during FY 2020		Attendance at last AGM held on September 24, 2019	Number of Directorships in other Companies as at March 31, 2020*	Number of committee positions held in other public companies as at March 31, 2020**	
	Held during tenure	Attended			Chairman	Member
Mr Analjit Singh [Promoter, Non-Executive Director & Chairman]	6	4	No	11	-	-
Mr Mohit Talwar [Non-Executive Director & Vice Chairman]	6	4	Yes	05	01	06
Mr Sahil Vachani [Managing Director and CEO]	6	5	No	16	01	02
Mr Arthur Seter Harutyun [Non-Executive Director]	6	3	No	02	--	--
Mr Dinesh Kumar Mittal [Independent Director]	6	6	Yes	14	04	09
Mr K. Narasimha Murthy [Independent Director]	6	5	Yes	08	05	07
Mr Ashok Brijmohan Kacker® [Independent Director]	5	5	Yes	N.A.	N.A.	N.A.
Ms Gauri Padmanabhan [Independent Director]	6	4	No	01	-	-
Mr Niten Malhan# [Independent Director]	2	1	N.A.	02	-	02

* Excluding Foreign Companies and Companies formed under Section 8 of the Act.

** Represents Memberships/Chairmanships of Audit Committee & Stakeholders Relationship Committee of Indian Public Limited Companies other than companies formed under Section 8 of the Act.

® Resigned from the position of Independent Director on November 08, 2019.

Appointed as additional director (Independent) on November 08, 2019.

Further, names of the other listed entities where the directors of the Company are director as on March 31, 2020 and the category of directorship is as follows:

Name of Director	Name of other listed entity	Category of directorship
Mr Analjit Singh	Max Financial Services Limited Max India Limited	Promoter, Non-Executive Promoter, Non-Executive
Mr Mohit Talwar	Max India Limited Max Financial Services Limited	Managing Director Managing Director
Mr D. K. Mittal	Balrampur Chini Mills Limited Max Financial Services Limited Bharti Airtel Limited Max India Limited Trident Limited	Independent Director Independent Director Independent Director Independent Director Independent Director
Mr K. Narasimha Murthy	Max India Limited Nelco Limited	Independent Director Director
Mr Niten Malhan	Nil	N.A.
Mr Sahil Vachani	Max Financial Services Limited	Non-Executive - Non Independent Director
Ms Gauri Padmanabhan	Nil	N.A.
Mr Arthur Seter	Nil	N.A.

DETAILS OF BOARD MEETINGS HELD DURING FY 2020:

There were six Board meetings held during FY 2020, details of which are as under:

S. No	Date	Board Strength	No. of Directors Present
1.	April 12, 2019	08	08
2.	May 22, 2019	08	06
3.	June 26, 2019	08	04
4.	August 08, 2019	08	06
5.	November 08, 2019	09	09
6.	February 07, 2020	08	04

HOW DO WE MAKE SURE OUR BOARD IS EFFECTIVE?

The calendar for the Board and Committee meetings are fixed in advance for the whole year, along with significant agenda items. At least one Board meeting is held within 45 days from the close of each quarter (within 60 days for last quarter of financial year) to review financial results and business performance and the gap between two consecutive Board meetings does not exceed one hundred and twenty days, as required by law. Apart from the aforesaid four meetings, additional Board meetings are also convened to meet business exigencies. Matters of exigency are also approved by the Directors through resolutions passed by circulation as permissible under the provisions of the Act and Secretarial Standards on meetings of the Board of Directors (SS-1) and the same are also duly noted in the next meeting.

Generally, meetings of Committees of Board are held prior to the Board meeting. The Chairperson of the respective Committee briefs the Board about the proceedings of the Committee meeting and its recommendations on matters that the Board needs to consider and approve.

All agenda items are accompanied by comprehensive notes on the related subject and in certain areas such as business plans/ business reviews and financial results, detailed presentations are made to the Board members. The material for the Board and Committee meetings is generally published seven days in advance through e-mail and/or electronically in a secured dedicated portal. The Board is regularly updated on the key risks and the steps and process initiated for reducing and, if feasible eliminating various risks. Business risk evaluation and management is an ongoing process with the Company.

To enable the Board to discharge its responsibilities effectively, members of the Board are apprised on the overall performance of the Company and its subsidiaries at every Board meeting. The Board has complete access to all the relevant information within the Company. Senior Management is invited to attend the Board/ Committee meetings to provide detailed insight into the items being discussed.

KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

MaxVIL Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. The Board members are committed to ensuring that the Company is in compliance with the highest standards of corporate governance.

In terms of the requirement of the SEBI (LODR) Listing Regulations, the Board has identified the following core skills/expertise/ competencies of the Directors for effective functioning of the Company in the context of company's business:

- 1. Corporate governance** - Maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
- 2. Leadership** - Leadership experience in developing talent, planning succession, and driving change and long-term growth. Practical understanding of managing organizations, processes, strategic planning, and risk management.
- 3. Strategic thinking** - Forming strategies to analyze the marketplace and identify opportunities to stimulate growth, considering the impact of key decisions, offer contingency plans and risk mitigation, bearing in mind the stakeholders' best interests.
- 4. Diversity** - Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide.
- 5. Financial acumen** - Proficiency in financial management, financial reporting processes, or experience in actively supervising the finance function.

- 6. Business Growth** - Identifying market trends, developing strategies for growth of business. Building brand awareness and equity and enhancing enterprise reputation. Ability to assess investment or acquisition decisions, evaluation of operational integration plans.

- 7. Merger and acquisitions** - Experience in acquisitions and other business combinations, with the ability to assess 'build and buy' decision, accurately valuing the transactions and evaluating the operational integration plans.

Mr Analjit Singh, Mr Sahil Vachani, Mr Mohit Talwar, Mr Arthur Seter, Mr D. K. Mittal and Mr K. Narasimha Murthy possess all the aforementioned skills/expertise/ competencies. Further, Ms Gauri Padmanabhan possesses skills specified in serial no. 1, 2 and 4, and Mr Nitin Malhan possesses skills specified in serial no. 1, 3, 6 and 7 above. The brief profile of directors, forming part of this Annual Report provide an insight into the education, expertise, skills and experience of the Directors.

CODE OF CONDUCT

In compliance with Regulation 26(3) of Listing Regulations, the Company had adopted a Code of Conduct for the Directors and Senior Management of the Company ('the Code'). The Code is available on the Company's website <https://maxvil.com/shareholder-information/>.

All the members of the Board of Directors and senior management personnel had affirmed compliance with above mentioned Regulation including Code for the financial year ended March 31, 2020 and declaration to this effect signed by the Managing Director and CEO forms part of this report as **Annexure-I**.

Pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has also adopted a Code of Conduct to Regulate, Monitor and Report trading by insiders, for prevention of insider trading, which is applicable to all the Directors, Senior Management and Connected Persons of the Company. The copy of the Code of Conduct which is available on the Company's website <https://maxvil.com/shareholder-information/>.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

As at March 31, 2020, this Committee comprised of Mr D. K. Mittal (Chairman), Mr Niten Malhan, Mr Mohit Talwar and Mr K. Narasimha Murthy. All members of the Committee, except Mr Mohit Talwar (who is Non Executive- Non Independent Director of the Company) are Independent Directors. Mr Ashok Kacker was the Chairman of the Committee upto August 08, 2020 and Mr D. K. Mittal was appointed as the Chairman of the Committee with effect from that date. Mr Sahil Vachani, Managing Director and CEO is a permanent invitee to the Committee meetings. All the members of the Committee possess requisite accounting and financial knowledge. The Chairman of the Committee has accounting and financial management expertise. The Company Secretary of the Company acts as the Secretary to this Committee.

The terms of reference of the Audit Committee has been defined by the Board of Directors in accordance with

Regulation 18 and Part C of Schedule II of the Listing Regulations and applicable provisions of the Act. This Committee, inter-alia, recommends appointment and remuneration of statutory auditors, secretarial auditors, internal auditors, reviews Company's financial reporting processes & systems and internal financial controls, financial and risk management policies, related party transactions, significant transactions and arrangements entered into by unlisted subsidiaries, review of inter-corporate loans and investments, review the statement of uses / application of funds raised through preferential issue, Company's financial statements, including annual and quarterly financial results and financial accounting practices & policies and reviews the functioning of the whistle blower mechanism.

The representatives of Internal Auditors and Statutory Auditors are invited to the meetings of the Committee, as and when required. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company to answer the shareholder queries.

Meetings & attendance during FY 2020:

The Committee met six times during FY 2020. The details of attendance of Directors during FY 2020 are as under:

Name of Director	Number of meetings held during tenure	Number of meetings attended
Mr D. K. Mittal	06	06
Mr Mohit Talwar	06	04
Mr K. Narasimha Murthy	06	05
Mr Niten Malhan*	01	-
Mr Ashok Kacker**	05	05

* Appointed as Member w.e.f. November 08, 2019.

**Resigned from the position of Independent Director on November 08, 2019.

NOMINATION AND REMUNERATION COMMITTEE

As at March 31, 2020, the Committee comprised of Mr K. Narasimha Murthy (Chairman), Mr D. K. Mittal, Ms Gauri Padmanabhan and Mr Mohit Talwar. All the members are Independent Directors, except Mr Mohit Talwar (who is Non Executive- Non Independent Director of the Company). The Company Secretary of the Company acts as the Secretary to this Committee.

The scope including terms and references of the Nomination & Remuneration Committee has been defined by the Board of Directors in accordance with Regulation

19 and Part D of Schedule II to the Listing Regulations and applicable provisions of the Act. This Committee, inter-alia, evaluates the compensation and benefits for Executive Directors and Senior Executives at one level below the Board, recruitment of key managerial personnel and finalisation of their compensation, induction of Executive and Non-Executive Directors and fixing the method, criteria and quantum of compensation to be paid to the Non- Executive Directors and formulate the criteria for evaluation of independent directors and the Board. The details of annual evaluation of the performance of the Board, its Committees and of individual directors have been disclosed in the Board's Report. It also administers the (a) ESOP Scheme(s) of the Company including

allotment of equity shares arising from exercise of stock options; and (b) Phantom Stock Scheme of the Company.

The remuneration policy of the Company is aimed at attracting and retaining the best talent to leverage

performance in a significant manner. The strategy takes into account, the remuneration trends, talent market and competitive requirements. The Remuneration Policy of the Company is available on the website of the Company www.maxvil.com.

Meetings & attendance during FY 2020:

The Committee met four times during FY 2020. The details of attendance of Directors during FY 2020 are as under:

Name of Director	Number of meetings held	Number of meetings attended
Mr K. Narasimha Murthy	04	04
Mr D. K. Mittal	04	04
Mr Mohit Talwar	04	03
Ms Gauri Padmanabhan*	01	01
Mr Ashok Kacker**	03	03

* The Board, in its meeting held on August 08, 2019 reconstituted the Committee by appointing Ms Gauri Padmanabhan as a member in place of Mr Ashok Kacker.

** Resigned from the position of Independent Director on November 08, 2019.

Performance Evaluation Criteria for Independent Directors

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the directors, who were subject to evaluation had not participated. The evaluation of Independent Directors was based on criteria such as current knowledge of the Company's business sector & trends; understanding of the Company's business, its subsidiaries, operational structure and key risks; meaningful & constructive contribution in meetings, guidance to the management etc.

REMUNERATION PAID TO DIRECTORS DURING FY 2020

The Company pays sitting fees of ₹1,00,000/- per meeting to its Non Executive/ Independent Directors for attending the meetings of Board and Committees of the Board and separate meeting(s) of Independent Directors. The Company has not paid any remuneration to its Non-Executive/ Independent Directors during FY 2020, except the sitting fees. Details of the sitting fees paid to Non-Executive/ Independent Directors of the Company during FY 2020 are as under:

S. No.	Name of the Director	Sitting Fee paid (in ₹)
1	Mr Analjit Singh	4,00,000
2	Mr Mohit Talwar	15,00,000
3	Mr K. Narasimha Murthy	16,00,000
4	Mr D. K. Mittal	20,00,000
5	Mr Ashok Kacker*	16,00,000
6	Mr Niten Malhan**	1,00,000
7	Mr Arthur Seter	Nil
8	Ms Gauri Padmanabhan	5,00,000

* Resigned from the position of Independent Director on November 08, 2019.

** Appointed as additional director (Independent) with effect from November 08, 2019.

The remuneration payable/ paid to Executive Director of the Company including performance incentives was determined from time to time by the Nomination & Remuneration Committee in terms of applicable provisions of the Act read with Company's remuneration policy.

Details of the remuneration charged to profit and loss account in respect of Mr Sahil Vachani as Managing Director and CEO for FY 2020 is as under:

Description	(Amount in ₹)
Salary	1,43,75,256
Benefits (Perquisites)	31,653
Performance Incentive/special payments	1,35,12,728
Retirals	7,39,728
Service contract	5 years
Notice period	3 months
Stock options granted (in numbers)	NA

The severance fee, if any, shall be payable as per the provisions of the Act. The Variable Compensation / Performance Incentive shall be paid depending on the performance rating and Company's performance within the limits approved by shareholders of the Company.

The Company does not have any pecuniary relationship or transactions with the Non-Executive Directors of the Company other than payment of the sitting fees for attending meetings and certain ESOP granted to Mr Mohit Talwar, Non-executive Director, as described in detail in subsequent paragraphs.

DETAILS OF STOCK OPTIONS GRANTED

Pursuant to Clause 6.1.6 of the Composite Scheme of Arrangement amongst Max Financial Services Limited ('MFSL'), Max India Limited and Max Ventures and Industries Limited ("the Company") and their respective Shareholders and Creditors, as sanctioned by the Hon'ble High Court of Punjab & Haryana vide order dated December 14, 2015 ("Scheme of Arrangement"), the stock options granted by MFSL to its employees under its existing Stock Option Plan (irrespective of whether they continue to be employees of the MFSL or become the employees of the Company pursuant to the Scheme of Arrangement) and upon the said Scheme being effective, the said employees shall be issued one Stock Option by the Company under its new ESOP Plan, entitling one equity share of ₹ 10/- (Rupees Ten only) each of the Company for every five Stock Options held in MFSL, whether the same are vested or not, on the terms and conditions similar to the relevant existing Stock Option Scheme of MFSL.

The shareholders of the Company at the First Annual General Meeting held on September 27, 2016 accorded their approval to the implementation of the Stock Option Scheme of the Company in the name and style of "MAX VENTURES AND INDUSTRIES EMPLOYEE STOCK PLAN - 2016" ("ESOP Plan") and authorized the Board and/or Committee to create, issue, offer and allot to or to the benefit of such person(s) (i) who are permanent officer or employee or Director of the Company (whether whole-time or not), but excluding a Promoter or a person who belongs to a Promoter Group of the Company, Independent Director or a Director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company as may be decided under the ESOP Plan and (ii) who are eligible for grant of stock options of the Company pursuant to the Scheme of Arrangement; options exercisable upto an aggregate of not more than 5% of the issued Equity Shares of ₹ 10/- (Rupees Ten only) each of the Company at any point of time, in one or more tranches, under the ESOP Plan.

Further, the members of the Company, in the Annual General Meeting held on September 24, 2019, approved the modification of the ESOP Plan by extending the ESOP Plan to the directors and employees of the subsidiaries of the Company.

The details of stock options granted to Director(s) of the Company are as follows:

Name of the Director	Date of grant by MFSL	No. of Options in the Company	Exercise price per option for per equity share of ₹ 10/- each	Original Vesting Schedule	Outstanding Grants as on March 31, 2020
Mr Mohit Talwar	August 18, 2012	2,286	₹ 10/-	2,286 Options on August 18, 2016	Nil
	April 1, 2013	3,800	₹ 10/-	1,900 Options on April 1, 2016 1,900 Options on April 1, 2017	Nil
	April 1, 2014	5,250	₹ 10/-	1,750 Options on April 1, 2016 1,750 Options on April 1, 2017 1,750 Options on April 1, 2018	Nil
	December 12, 2014	88,600	₹ 25/-	Bullet vesting on March 31, 2020 @	Nil
	March 27, 2015	4,520	₹ 10/-	1,130 Options on March 27, 2016 1,130 Options on March 27, 2017 1,130 Options on March 27, 2018 1,130 Options on March 27, 2019	Nil

@ In terms of the Employee Stock Plan, 2003, of erstwhile Max India Limited, there are two kinds of ESOPs granted to Mr Mohit Talwar by Max Financial Services Limited ('MFSL') i.e. (a) ESOPs granted annually at par value which vest equally on an annual basis; and (b) ESOPs granted in December 2014 with over five year (bullet) vesting period ending on March 31, 2020 as part of the long term retention strategy.

Vesting schedule of ESOPs detailed in (b) above was modified by the Nomination & Remuneration Committee through its circular resolution dated August 09, 2017, in the following manner:

Description	No. of Options
Total number of options	88,600
Immediate vesting on August 09, 2017	44,300
Vesting on December 1, 2018	22,150
Vesting on December 1, 2019	22,150

During FY 2020, 1,130 options were exercised by Mr Mohit Talwar in April, 2019 which entitled him to 1,130 equity shares of ₹ 10/- at an exercise price of ₹10/- per equity share. Further, Mr Talwar exercised 22,150 options in December, 2019 which entitled him to 22,150 equity shares of ₹10 at an exercise price of ₹ 25 per equity share. With this allotment, all options that arose from Composite Scheme of Arrangement as mentioned above have been exercised.

None of the Director was granted any stock options during FY 2020.

Details of equity shares held by Directors of the Company as on March 31, 2020 are:

S. No.	Name of the Director	No. of equity shares of ₹10/- each
1	Mr Analjit Singh	40,93,844
2	Mr Mohit Talwar	1,64,418
3	Mr K. Narasimha Murthy	11,000
4	Mr D. K. Mittal	4,765
5	Mr Niten Malhan	Nil
6	Mr Arthur Seter Harutyun	Nil
7	Mr Sahil Vachani	Nil
8	Ms Gauri Padmanabhan	Nil

Further, none of the directors are holding any other convertible instruments of the Company.

EMPLOYEE PHANTOM SCHEME OF THE COMPANY

Pursuant to the 'Employee Phantom Scheme 2017' ("EPS"), approved by your Board on February 17, 2017, the eligible employees of our Company were granted notional stock appreciation right units at a predetermined grant price. Such eligible employees were to receive cash payment for appreciation in the share price over the grant price for the awarded notional unit, based on the performance criteria achieved by your Company. Certain Key Management Personnel were granted 1,72,761 units as per the EPS out of which 1,44,333 units are unvested and 28,428 units are vested.

Further, pursuant to the approval of Nomination & Remuneration Committee, in its meeting held on March 23, 2018, certain Key Management Personnel were granted 1,93,570 units under ESOP 2016 effective April 1, 2018 under which, all unvested units i.e. 1,44,333 units under EPS stand converted into ESOP grants. Thus, status of vested units i.e. 28,428 units under EPS remains unchanged.

The details of stock options granted to employee(s) of the Company on April 01, 2018 are as follows:

Name of the Employee	No. of Options in the Company	Exercise price per option for per equity share of ₹ 10/- each	Original Vesting Schedule	Outstanding Grants as on March 31, 2020
Mr Rohit Rajput	1,10,205	₹ 66.40/-	55,102 options on April 01, 2019 55,103 options on April 01, 2020	Nil Nil
Mr Nitin Kumar Kansal	83,365	₹ 66.40/-	27,788 options on April 01, 2019 27,788 options on April 01, 2020 27,789 options on April 01, 2021	Nil Nil Nil

STAKEHOLDERS RELATIONSHIP COMMITTEE

As at March 31, 2020, the Committee comprised of Mr Mohit Talwar (Non Executive Director and Chairman), Mr Niten Malhan and Mr Sahil Vachani. Key responsibilities of this Committee are formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time, redressal of shareholders and investor complaints/grievances. The scope of the Stakeholders Relationship Committee has been defined by the Board of Directors in accordance with the provisions of Regulation 20 read with Part D of Schedule II to the Listing Regulations. The Committee also approves the transfer and transmission of securities; issuance of duplicate certificates etc. The Company Secretary of the Company acts as the Secretary to this Committee.

Meetings & attendance during FY 2020

The Committee met two times during FY 2020. The details of attendance of Directors during FY 2020 are as under:

Director	Number of meetings held	Number of meetings attended
Mr Mohit Talwar	02	02
Mr Ashok Kacker*	02	02
Mr Niten Malhan**	-	-
Mr Sahil Vachani	02	02

* Resigned from the position of Independent Director on November 08, 2019.

** Appointed as Member w.e.f. November 08, 2019.

The Committee has delegated the authority to effect transfer, transmission and transposition of shares up to 1,000 per folio and deletion and/or change of name of security holders, to the Company Secretary / Compliance Officer, and such transfers, transmissions and transpositions etc. are subsequently ratified in next meeting of the Committee. The Company has normally attended to the Shareholders / Investors complaints

within a period of 7 working days except in cases which were under legal proceedings/disputes. During FY 2020, 4 complaints were received by the Company, which were general in nature viz. issues relating to share transfers, non-receipt of annual reports, issue of duplicate certificates etc., all of those were resolved to the satisfaction of the respective shareholders. Further, there are no pending investor's complaints as at March 31, 2020.

INVESTMENT & FINANCE COMMITTEE

As at March 31, 2020, the Committee comprised of Mr D. K. Mittal, Mr K. Narasimha Murthy, Mr Mohit Talwar and Mr Sahil Vachani. The Chairman of the committee is elected by the members at the meeting. The responsibilities of this Committee are to review financial performance of businesses carried on by the Company and its subsidiaries, review and recommend revenue and capital budgets of the Company and its subsidiaries, review and recommend various fund raising options and financial resources allocation to Company's subsidiaries and to review proposals on business restructuring, mergers, consolidations acquisitions, investments, establishment of joint ventures and divestments of any businesses, etc.

Meetings & attendance during FY 2020

The Committee met two times during FY 2020. The details of attendance of Directors during FY 2020 are as under:

Director	Number of meetings held during tenure	Number of meetings attended
Mr Mohit Talwar	02	01
Mr K. Narasimha Murthy	02	01
Mr D.K. Mittal	02	02
Mr Sahil Vachani	02	01

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As at March 31, 2020, the Corporate Social Responsibility ('CSR') Committee comprised of Mr Mohit Talwar, Mr D. K. Mittal and Mr Sahil Vachani as its members. The responsibilities of this Committee includes formulation and recommendation to the Board a CSR Policy which shall indicate the activities to be undertaken by the company in line with the activities prescribed in Schedule VII of the Act for CSR activities, recommend the amount of expenditure to be incurred on the aforesaid activities, monitor the CSR Policy of the company from time to time and any other matter as may be delegated to the Committee from time to time.

Meetings & attendance during FY 2020

Director	Number of meetings held	Number of meetings attended
Mr Mohit Talwar	01	01
Mr D. K. Mittal	01	01
Mr Sahil Vachani	01	01

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent directors had a separate meeting on May 22, 2019 during FY 2020 where the following agenda items were considered in terms of Schedule IV of the Act and provisions of the Listing Regulations:

- Evaluation of the performance of Non-Independent Directors and the Board as a whole;
- Evaluation of the performance of Chairperson of the Company; and

- Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board.

Further, the Company has made familiarization programmes to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The familiarization programme is available at the following link of website of the Company <https://maxvil.com/shareholder-information/>.

GENERAL MEETINGS

The details of Annual General Meetings ("AGM") held in the last 3 (three) years and Special Resolutions passed by the shareholders at the said meetings are as under:

Particulars	Date, time and venue of General Meeting	Special Resolution passed by the shareholders at the General Meeting
4 th AGM	September 24, 2019 at 1200 hours at the Registered Office of the Company at Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab - 144533	1. Approval for revision/payment of remuneration payable to Mr Sahil Vachani, Managing Director & CEO from April 1, 2020 till January 14, 2021. 2. Approval for extension of benefits under the "Max Ventures and Industries Employee Stock Plan - 2016" to the eligible employees and directors of its Subsidiaries
3 rd AGM	September 25, 2018 at 1200 hours at the Registered Office of the Company	None.
2 nd AGM	September 26, 2017 at 1230 hours at the Registered Office of the Company.	Approval for revision/payment of remuneration payable to Mr Sahil Vachani, Managing Director & CEO for a period of three (3) years, i.e., from April 1, 2017 until March 31, 2020.

POSTAL BALLOT AND POSTAL BALLOT PROCESS

During FY 2020, no resolution was passed by the Company through postal ballot. Further, no business is proposed to be transacted through postal ballot as on the date of this Report.

MEANS OF COMMUNICATION

Timely disclosure of reliable information and corporate financial performance is at the core of good Corporate Governance. Towards this direction, the quarterly / annual results of the Company were announced within the prescribed period and published in The Financial Express/ Business Standard (English), and Desh Sewak (Punjabi). The results can also be accessed on the Company's website www.maxvil.com. The official news releases and the presentations made to the investors / analysts (if any) are displayed on the Company's website and also sent to the BSE Ltd. and National Stock Exchange of India Limited for dissemination.

DISCLOSURES

(a) Related party transactions

There are no materially significant related party transactions of the Company with its promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.

The Company has formulated a policy for transacting with related parties, which is available at the

following link on the website of the Company <https://maxvil.com/shareholder-information/> under Policy Disclosures. Transactions entered with the related parties are disclosed in Notes to the financial statements in the Annual Report.

(b) Compliance by the Company

The Company has duly complied with all the mandatory requirements of Listing Regulations including other Regulations and Guidelines issued by SEBI from time to time on all matters relating to capital markets. No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI, or any other statutory authorities on any matter relating to capital market during FY 2020, FY 2019 and FY 2018.

(c) Whistle Blower Policy

The Company has a vigil mechanism pursuant to which a Whistle Blower Policy has been adopted and is in place. The Company has established the necessary mechanism for employees to report concerns about unethical behavior. It is hereby affirmed that no person has been denied access to the Chairman of the Audit Committee on matters relating to Whistle Blower Policy of the Company.

(d) Material Subsidiary Companies

The Company had one material unlisted subsidiary Company viz., Max Speciality Films Limited (MSFL)

during FY 2020. Mr K. Narasimha Murthy is the common Independent Director for the Company and MSFL as at March 31, 2020. Further, the Company has formulated a policy for determining 'material subsidiaries' which is disclosed at the following link on the website of the Company <https://maxvil.com/shareholder-information/> under Policy Disclosures.

(e) Commodity price risks and commodity hedging activities

The Company does not deal in commodity activities. Accordingly, the disclosures required to be made in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 pertaining to commodity price risks and commodity hedging activities are not applicable to the Company.

(f) Recommendation of Committees to the Board

During FY 2020, there were no such recommendations of the Committees, which the Board had not accepted.

(g) Fees paid to statutory auditors and all entities in the network firm/ entity - ₹33.98 Lakhs

(h) Disclosure in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013: No complaint was received during FY 2020.

GENERAL SHAREHOLDER INFORMATION

A section on the 'Shareholder Information' is annexed, and forms part of this Annual Report.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The certification by the Managing Director and Chief Financial Officer of the Company, in compliance of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, is enclosed as **Annexure II**.

M/s. Sanjay Grover & Associates, Practicing Company Secretaries have certified that the Company has complied with the conditions of Corporate Governance, except for delay in appointment of a woman director, as stipulated in Schedule V of the Listing Regulations and the said certificate is annexed to the Report as **Annexure-III**.

A certificate from M/s. Sanjay Grover & Associates, Practicing Company Secretaries, certifying that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as

directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed as **Annexure-IV** to the Report.

DISCLOSURE ON NON-MANDATORY REQUIREMENTS

The Company has duly complied with all the mandatory requirements under Listing Regulations and the status of compliance with the non-mandatory recommendations under Part E of Schedule II of the Listing Regulations is given below:

Shareholders' Rights:

The quarterly, half-yearly and annual financial results of the Company are published in newspapers and also posted on the Company's website.

Audit Qualification:

It has always been the Company's endeavor to present unqualified financial statements. There is no audit qualification in respect of financial statements of the Company for FY 2020.

Separate posts of Chairman and CEO:

The Company has separate persons to the post of Chairman and Managing Director. Mr Analjit Singh, Non Executive Director is the Chairman and Mr Sahil Vachani is the Managing Director and CEO of the Company effective January 15, 2016.

Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee, which defines the scope of Internal Audit.

DETAILS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSE (B) TO (I) OF SUB - REGULATION (2) OF REGULATION 46 OF LISTING REGULATIONS

The Company is in compliance with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of Listing Regulations.

Further, there is no non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Part C to Schedule V of Listing Regulations.

EQUITY SHARES IN UNCLAIMED SUSPENSE ACCOUNT

Pursuant to the provisions of Regulation 39 of the Listing Regulations, the Company has transferred the unclaimed

equity shares on July 18, 2017 in the Demat Account titled as 'MAX VENTURES AND INDUSTRIES LIMITED- UNCLAIMED SUSPENSE ACCOUNT'. The equity shares transferred to said Unclaimed Suspense Account belong to the members who have not claimed their Share Certificates pertaining to the equity shares of the Face Value of ₹ 10/- each.

The details of equity shares held in the Unclaimed Suspense Account as at March 31, 2020 are as follows:

S. No.	Particulars	No. of Shareholders	Number of Equity Shares
1.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account lying at the beginning of the year.	2,289	1,06,411
2.	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year.	17	793
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	17	793
4.	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year.	2,272	1,05,618

Further the voting rights on the above-mentioned shares shall remain frozen till the rightful owner of such shares claims the shares.

On behalf of the Board of Directors
Max Ventures and Industries Limited

Date: June 05, 2020
 Place: New Delhi

Sahil Vachani
 Managing Director and CEO
 DIN: 00761695

Mohit Talwar
 Vice-Chairman
 DIN: 02394694

Annexure- I

Declaration signed by the Managing Director and Chief Executive Officer on Code of Conduct as required by Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to declare and confirm that the Company has received affirmations of compliance with the provisions of Company's Code of Conduct for the financial year ended March 31, 2020 from all Directors and Senior Management Personnel of the Company.

For **Max Ventures and Industries Limited**

Date: June 05, 2020
Place: New Delhi

Sahil Vachani
Managing Director and CEO
DIN: 00761695

Annexure - II

Certification by Managing Director and Chief Financial Officer

To
The Board of Directors,
Max Ventures and Industries Limited,

We, Sahil Vachani, Managing Director & CEO and Nitin Kumar Kansal, Chief Financial Officer of Max Ventures and Industries Limited ("the Company") certify that:

- A. We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended March 31, 2020 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading; and
 - (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware of, and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee, wherever applicable:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **Max Ventures and Industries Limited**

Date: June 05, 2020
Place: New Delhi

Nitin Kumar Kansal
Chief Financial Officer

Sahil Vachani
Managing Director and CEO

Annexure – III

Corporate Governance Certificate

To
The Members
Max Ventures and Industries Limited

We have examined the compliance of conditions of Corporate Governance by **Max Ventures and Industries Limited** ("the Company"), for the financial year ended March 31, 2020, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Devesh Kumar Vasisht
Partner
CP No. 13700
FCS No. F8488
UDIN: F008488B000320426

Date: June 05, 2020
Place: New Delhi

Annexure – IV

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
MAX VENTURES AND INDUSTRIES LIMITED

419, Bhai Mohan Singh Nagar, Village Railmajra,
Tehsil Balachaur Nawan Shehar
Punjab-144533.

1. That Max Ventures and Industries Limited (CIN: L85100PB2015PLC039204) is having its registered office at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur Nawan Shehar Punjab-144533 (hereinafter referred as "the Company"). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
2. We have examined the relevant disclosures received from the Directors, registers, records, forms, and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. In our opinion and to the best of our information and according to the verifications and examination of the disclosures under section 184/189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN status at the portal, www.mca.gov.in, as considered necessary and explanations furnished to us by the Company and its officers, we certify that none of the below named Directors on the Board of the Company as on March 31, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority:

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment in Company
1.	Mr Narasimha Murthy Kummamuri	00023046	15/01/2016
2.	Mr Analjit Singh	00029641	15/01/2016
3.	Mr Dinesh Kumar Mittal	00040000	15/01/2016
4.	Mr Niten Malhan	00614624	08/11/2019
5.	Mr Sahil Vachani	00761695	15/01/2016
6.	Ms Gauri Padmanabhan	01550668	26/11/2018
7.	Mr Mohit Talwar	02394694	15/01/2016
8.	Mr Arthur Harutyun Seter	07440880	17/02/2017

4. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
5. This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

For **Sanjay Grover & Associates**

Company Secretaries

Firm Registration No.: P2001DE052900

Devesh Kumar Vasisht

Partner

CP No. 13700

FCS No. F8488

UDIN: F008488B000320393

Date: June 05, 2020

Place: New Delhi





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GENERAL SHAREHOLDER INFORMATION

General Shareholder
Information

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General Shareholder Information

Registered Office:

419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab - 144 533

Registrar and Share Transfer Agent:

MAS Services Limited, T-34, 2nd Floor,
Okhla Industrial Area, Phase - II
New Delhi-110 020, Tel-011 26387281/82/83
Fax-011 26387384
e-mail : info@masserv.com

Investor Helpline:

Tel. No.: 0120-4743222
Fax: 0120-4743250
Email: investorhelpline@maxvil.com

Annual General Meeting:

Date and Time: Wednesday, December 30, 2020 at 14:00 hours, through video conference

Deemed Venue: Registered Office of the Company at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab - 144 533

Book Closure: The Register of Members and Share Transfer Books of the Company will remain closed from Thursday December 24, 2020 to Wednesday, December 30, 2020 (both days inclusive).

Financial Year: The financial year of the Company starts from April 1 of a year and ends on March 31, of the following year.

FINANCIAL CALENDAR - 2020-21:

1	First quarter results	By August 14, 2020
2	Second quarter & half yearly results	By November 14, 2020
3	Third quarter results	By February 14, 2021
4	Annual results	By May 30, 2021

LISTING ON STOCK EXCHANGES:

The Equity Shares of the Company are listed on the BSE Limited ('BSE'), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 021 and the National Stock Exchange of India Limited ('NSE') Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai - 400051. The Company confirms that it has duly paid annual listing fees due to BSE and NSE for FY 2020-21.

CONNECTIVITY WITH DEPOSITORIES:

The Company's shares are in dematerialized mode through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

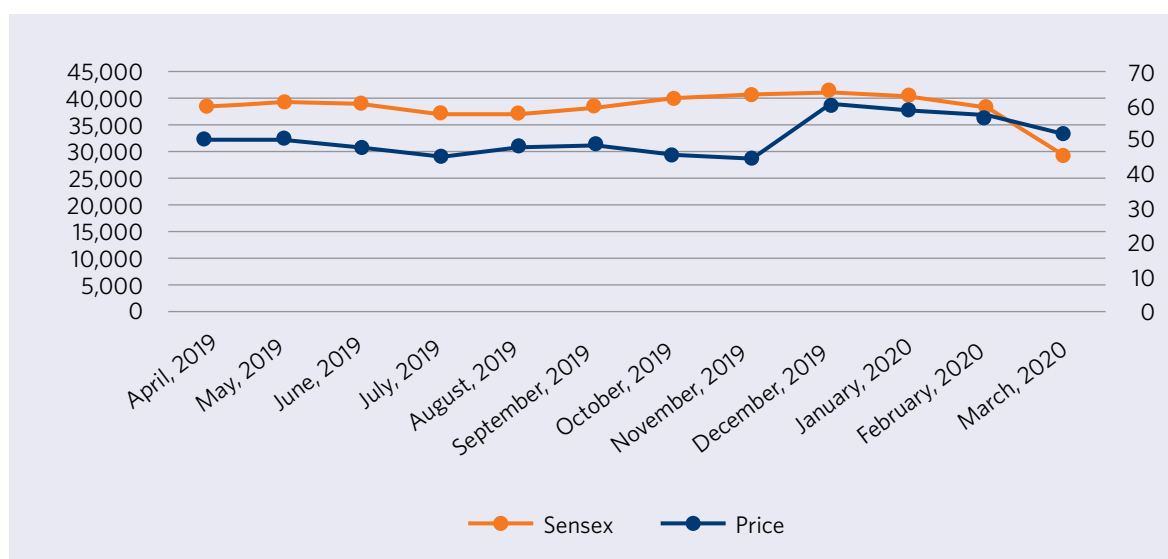
STOCK CODE:

BSE	539940
NSE	MAXVIL
Demat ISIN No. for NSDL and CDSL	INE154U01015

MONTHLY HIGH AND LOW QUOTATION ON BSE LIMITED (BSE) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

Month	BSE		NSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
April, 2019	50.90	42.65	48.65	42.90
May, 2019	50.50	40.25	50.50	40.25
June, 2019	48.15	40.30	48.25	40.25
July, 2019	45.80	33.25	45.80	34.00
August, 2019	48.60	35.40	48.85	35.05
September, 2019	48.75	39.70	47.90	39.65
October, 2019	46.40	37.20	46.40	36.50
November, 2019	44.50	36.10	44.70	36.10
December, 2019	60.85	40.20	60.30	40.05
January, 2020	59.40	51.20	59.50	51.15
February, 2020	57.50	46.70	57.60	46.60
March, 2020	52.25	25.15	52.80	24.70

Sensex Vs. Share price



EQUITY SHAREHOLDING PATTERN AS ON MARCH 31, 2020:

Category	No. of shares held	% of shareholding
Promoters & Promoter Group	7,28,36,286	49.68
Mutual Funds and UTI	80,928	0.06
Banks, Financial Institutions	1,33,340	0.09
Trust	16,101	0.01
Alternate Investment Fund	27,04,853	1.84
Foreign Portfolio Investors	1,10,78,500	7.55
Foreign Direct Investment	3,12,82,950	21.34
Bodies Corporate	24,63,262	1.68
Non-resident Indians	29,20,248	1.99
Clearing Members	3,11,627	0.21
Resident Individuals	2,26,90,349	15.48
Unclaimed Shares Account	1,05,618	0.07
Total	14,66,24,062	100.00

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020

No. of Shareholders	Percentage to Total	Shareholdings	No. of shares	Percentage to Total
28,763	85.816	1 to 5000	28,68,110	1.956
1,931	5.761	5001 to 10000	15,68,570	1.070
1,174	3.503	10001 to 20000	18,07,477	1.233
489	1.459	20001 to 30000	12,56,022	0.857
226	0.674	30001 to 40000	8,06,156	0.550
201	0.600	40001 to 50000	9,58,978	0.654
338	1.008	50001 to 100000	24,87,635	1.697
395	1.179	100001 and above	13,48,71,114	91.984
33,517	100.00		14,66,24,062	100.00

DEMATERIALISATION STATUS AS ON MARCH 31, 2020

- (i) Shareholding in dematerialised mode 99.83%
- (ii) Shareholding in physical mode 0.17%

RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by the Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, a practicing Company Secretary carries out the Reconciliation of Share Capital Audit, on a quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total listed and paid-up capital. The audit report, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form and total number of shares in physical form.

FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALIZED MODE

Shareholders holding shares in dematerialised mode are requested to intimate all changes with respect to bank details, mandate, nomination, power of attorney, change of address, change of name etc. to their depository participant (DP). These changes will be reflected in the Company's records on the downloading of information from Depositories, which will help the Company to provide better service to its shareholders.

SHARE TRANSFER/TRANSMISSION SYSTEM

Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 read with SEBI's Press

Release under reference PR No.: 51/2018 dated December 03, 2018, transfer of shares held in physical form is not permitted w.e.f. March 31, 2019 and it is mandatory to demat the securities for getting the shares transferred.

We therefore request all the shareholders, holding shares in physical form to dematerialise their shareholding with the Depository Participants of their choice.

During the financial year ended March 31, 2020 ("FY 2020"), the Company has not approved any transfer of shares in physical form except those which are permissible under Statute/Regulations. However, for others the transfers are effected within limits prescribed by law. The average turnaround time for processing registration of other transfers is 15 days from the date of receipt of requests. The processing activities with respect to requests received for dematerialisation are completed within 7 -10 days.

DIVIDEND

The year under review was the fifth financial year of the Company's operations. Considering the future business plans of the Company, the Board of Directors did not recommend any dividend for FY 2020 on the Equity Share Capital of the Company.

OUTSTANDING GDRS/ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

As at March 31, 2020, the Company did not have any outstanding GDRS/ADRS/ Warrants or any convertible instruments.

COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

The Company does not deal in commodity activities. The Commodity price risks and commodity hedging activities are not applicable to the Company.

PLANT LOCATIONS:

Not Applicable.

COMMUNICATION OF FINANCIAL RESULTS

The unaudited quarterly financial results and the audited annual financial results are normally published in the Financial Express or Business Standard (English) and Desh Sewak (Punjabi). The financial results, press releases and presentations (if any) are communicated to the NSE and BSE and are also displayed on the Company's website- www.maxvil.com.

ADDRESS FOR CORRESPONDENCE WITH THE COMPANY

Investors and shareholders can correspond with the office of the Registrar and Share Transfer Agent of the Company or the Corporate Office of the Company at the following addresses:

MAS Services Limited (Registrar & Share Transfer Agent)

T-34, 2nd Floor
Okhla Industrial Area, Phase - II
New Delhi - 110 020

Contact Persons

Mr Sharwan Mangla
Tel No.: -011-26387281/82/83
Fax No.: - 011 - 26387384
e-mail: info@masserv.com

Max Ventures and Industries Limited (Corporate Office)

Secretarial Department
Max Towers, L -12
C001/A/1, Sector 16B,
Noida, Uttar Pradesh-201301.

Company Secretary and Compliance Officer

Mr Saket Gupta
Tel. No.: 0120 4743222
E-mail: saket.gupta@maxvil.com

LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILISATION OF FUNDS, WHETHER IN INDIA OR ABROAD

Not Applicable

Please visit us at www.maxvil.com for financial and other information about your company

On behalf of the Board of Directors
Max Ventures and Industries Limited

Sahil Vachani

Managing Director
& CEO
(DIN: 00701695)

Mohit Talwar

Vice-Chairman
(DIN: 02394694)





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Board's Report

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 5th (Fifth) Board's Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2020 ("FY 2020"). This Report is prepared on the basis of standalone financial statements of the Company for FY 2020 and the consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Standalone Financial Results

The standalone financial performance of your Company is summarized below:

	(Rs. in Lakhs)	
Particulars	FY 2019-20	FY 2018-19
Income		
Revenue from Operations	2965.84	2,563.65
Other Income	819.56	832.44
Total Revenues	3,785.40	3,396.09
Expenditure		
Employee benefits expense	855.46	742.42
Finance costs	300.65	3.37
Depreciation and amortization expense	304.36	18.82
Other expenses	821.43	1,536.01
Total Expenses	2,281.90	2,300.62
Profit/(Loss) before Tax	1,503.50	1,095.47
Tax expense	364.78	204.39
Profit/(Loss) after Tax	1,138.72	891.08

Consolidated Financial Results

The consolidated financial performance of your Company and its subsidiaries is summarized below:

	(Rs. in Lakhs)	
Particulars	FY 2019-20	FY 2018-19
Income		
Revenue from Operations	1,38,221.54	92,269.59
Other Income	1,728.07	2,271.37
Total Revenues	1,39,949.61	94,540.96
Expenditure		
Cost of raw materials consumed	75,788.75	86,029.65
Change in inventories of finished goods, traded goods and work in progress	24,817.49	(12,225.45)
Excise duty on sale of goods	-	-
Employee benefits expense	5,415.79	4,273.86
Finance costs	7,095.24	4,189.45
Depreciation and amortization expense	4,611.70	3,047.52
Other expenses	15,529.25	12,306.04
Total Expenses	1,33,258.22	97,621.07
Profit/(Loss) before Tax	6,691.39	(3,080.11)

(Rs. in Lakhs)

Particulars	FY 2019-20	FY 2018-19
Attributable tax expense	2,282.04	(147.97)
Profit/(Loss) after Tax	4,409.35	(2,932.14)
Attributable to:		
Equity holders of parent	3,743.05	(2,310.51)
Non-controlling interest	666.30	(621.63)

In accordance with the Companies Act, 2013 ("the Act") and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the audited consolidated financial statements are provided as part of this Annual Report and shall also be laid before the ensuing Annual General Meeting of the Company.

The Standalone and Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Company's Performance / Operations

In FY 2020, the Company reported Consolidated Revenues from operations of Rs.1,38,221.54 Lakhs and a Profit / Loss after tax of Rs. 4,409.35 Lakhs.

Dividend

Considering the future business plans of the Company, the Board of Directors of the Company do not recommend any dividend on the equity shares of the Company for FY 2020.

Transfer to Reserves

Consequent to the issuance of Employee Stock Options, an amount of Rs. 3.32 Lakhs has been transferred to the Share Premium Account of the Company. The Company did not transfer any amount out of profits to Capital Reserve during FY 2020.

Listing Information

The equity shares of the Company are traded on BSE Ltd. (Scrip Code '539940') and National Stock Exchange of India Ltd. (Symbol 'MAXVIL') effective June 22, 2016. The ISIN number for dematerialisation of the equity shares of the Company is INE154U01015.

Changes in Share Capital

As at March 31, 2020, the authorized share capital of the Company stood at Rs. 1,50,00,00,000 (Rupees One Hundred and Fifty Crores Only) divided into 15,00,00,000 (Fifteen Crores) equity shares of Rs. 10/- (Rupees Ten only) each.

Allotment of shares under ESOP

During FY 2020, following allotment of equity shares of Rs. 10/- (Rupees Ten only) each were made pursuant to the exercise of Stock Options granted to Stock Option holders under Max Ventures and Industries Employee Stock Plan – 2016:

Date of Allotment	No. of equity shares allotted	Premium on allotment
April 19, 2019	1,130	Nil
December 10, 2019	22,150	Rs. 15/- per equity share

After taking into consideration the aforesaid allotments, the paid-up equity share capital of the Company as at March 31, 2020, stood at Rs. 1,46,62,40,620/- (Rupees One Hundred and Forty Six Crores Sixty Two Lakhs Forty Thousand Six Hundred and Twenty only) comprising of 14,66,24,062 (Fourteen Crores Sixty Six Lakhs Twenty Four Thousand and Sixty Two) equity shares of Rs. 10/- (Rupees Ten only) each.

Particulars of utilization of proceeds of the Rights Issue

The details of utilization of proceeds of rights issue has been set out in Note No. 36 of the enclosed financial statements.

Subsidiaries, Joint Ventures and Associates

As at March 31, 2020, your Company had following subsidiaries:

- (i) Max Speciality Films Limited;
- (ii) Max Estates Limited ("MEL");
- (iii) Max I. Limited;
- (iv) Max Asset Services Limited;
- (v) Wise Zone Builders Private Limited;
- (vi) Northern Propmart Solutions Limited ("NPSL");
and
- (vii) Pharmax Corporation Limited ("Pharmax").

There were no associates or joint ventures of the Company during FY 2020.

NPSL was incorporated as a wholly owned subsidiary of MEL on June 24, 2019. Further, in terms of the Shareholders' Agreement entered into between MEL, New York Life Insurance Company ("New York Life") and NSPL on February 12, 2020, New York Life acquired 49% stake in NPSL on March 18, 2019. Accordingly, now MEL and New York Life hold shares in the ratio of 51:49 in NPSL.

Further, MEL acquired 85.17% equity shares of Pharmax from Max India Limited on November 25, 2019. Accordingly, Pharmax became a step down subsidiary of your Company effective that date.

Form AOC-1 containing the salient features of financial statements of the Company's subsidiaries is enclosed with this report as '**Annexure - 1**'. The basic details of the subsidiaries of the Company form part of the Extract of Annual Return given in '**Annexure - 2**' to this Report.

Further, a detailed update on the performance of your Company's subsidiaries is furnished in the Management Discussion and Analysis section which forms a part of this Report.

In compliance with the provisions of Section 136 of the Act, the financial statements and other documents of the subsidiaries are not being attached with the financial statements of the Company, and are available on the website of the Company viz. www.maxvil.com.

The Consolidated Financial Statements presented

by the Company include financial results of its subsidiaries.

Extracts of Annual Return

An extract of the Annual Return as at March 31, 2020 in prescribed Form MGT-9 forms part of this report as '**Annexure - 2**'. Further, the Annual Return of the Company for FY 2018-19 is available on the website of the Company at <https://www.maxvil.com/shareholder-information/>.

Employees Stock Option Plan

Your Company has adopted an employee stock option plan viz. 'Max Ventures and Industries Limited - Employee Stock Plan 2016' ('ESOP Plan') at its first Annual General Meeting held on September 27, 2016. The ESOP Plan provides for grant of stock options aggregating not more than 5% of equity share capital of the Company to eligible employees and Directors of the Company. The ESOP Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors of the Company.

The members of the Company, in their Annual General Meeting held on September 24, 2019, approved the modification of the ESOP Plan by extending the Plan to the directors and employees of the subsidiaries of the Company. There was no other change in the ESOP Plan during FY 2020. Further, the ESOP Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time).

A statement setting out the details of options granted upto March 31, 2020 and other disclosures as required under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Rule 12(9) of Companies (Share Capital & Debentures) Rules, 2014 for FY 2020, is enclosed as '**Annexure - 3**' to this report.

Material changes between the end of financial year and the date of this Report

There were no material changes between the financial year ended March 31, 2020 and the date of this Report.

Report on Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance specified by the Securities and Exchange Board of India through Part C of Schedule V of the Listing Regulations. As required by the said Clause, a separate Report on Corporate Governance forms part of the Annual Report of the Company.

A certificate from M/s Sanjay Grover & Associates, Practicing Company Secretaries regarding compliance with the regulations of Corporate Governance pursuant to Part E of Schedule V of the Listing Regulations and a certificate from the Managing Director and Chief Financial Officer on compliance of Part B of Schedule II of the Listing Regulations forms part of the Corporate Governance Report.

Management Discussion & Analysis

In terms of Regulation 34 of the Listing Regulations, a review of the performance of the Company, including those of your Company's subsidiaries, is provided in the Management Discussion & Analysis section, which forms part of this Annual Report.

Directors

As at March 31, 2020, your Board of Directors comprised of eight members with one Executive Director and seven Non-Executive Directors out of which four were independent.

Due to pre-occupation, Mr. Ashok Brijmohan Kacker resigned from the position of Independent Director of the Company on November 08, 2019. The Board places on record its appreciation for the valuable contributions made by him during his association with the Company.

Further, in compliance with the provisions of Section 161 of the Act and Articles of Association of the Company, the Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Niten Malhan (DIN: 00614624) as an Independent (Additional) Director of the Company for a period of 5 years with effect from November 08, 2019, which is subject to approval by the shareholders at the ensuing Annual General Meeting of the Company.

In terms of Section 152 of the Act and the Articles of Association of the Company, Mr. Mohit Talwar and Mr. Arther Seter shall retire by rotation at the ensuing Annual General Meeting. Being eligible, they have offered themselves for re-appointment at the ensuing Annual General Meeting. Your Directors recommend their re-appointment.

Further, the tenure of Mr. Sahil Vachani as Managing Director and CEO shall end on January 14, 2021. Your Board of Directors recommend his appointment for a further period of 5 years.

Brief profile of the aforesaid directors, forms part of the Notice convening Annual General Meeting.

Board Meetings

The Board of Directors met 06 (Six) times during FY 2020. The details of meeting and the attendance of directors are provided in the Corporate Governance Report which forms part of this Annual report.

Statement of Declaration by Independent Directors

In terms of Section 149(6) of the Act and Regulation 25 of the Listing Regulations, the Company has received declaration of independence from all Independent Directors namely Mr. Kummamuri Narasimha Murthy, Mr. Dinesh Kumar Mittal, Mr. Niten Malhan and Ms. Gauri Padmanabhan.

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct and the inlaid policies and applicable laws.

Key Managerial Personnel

In terms of provisions of Section 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Sahil Vachani - Managing Director and CEO, Mr. Nitin Kumar Kansal - Chief Financial Officer and Mr. Saket Gupta - Company Secretary are the Key Managerial Personnel of the Company.

Committee of Board of Directors

As at March 31, 2020, the Company had five committees of Board of Directors of the Company viz. Audit Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee, Corporate Social Responsibility Committee and Investment & Finance Committee which have been established as a part of the best Corporate Governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

A detailed note on Board and Committees composition, its terms of references and the meetings held during the year has been provided in the Corporate Governance Report which forms part of this Annual Report.

Independent Directors' Meeting

The Independent Directors met on May 22, 2019, *inter-alia*, to:

1. Review the performance of non-independent Directors and the Board as a whole;
2. Review the performance of the Chairman of the Company, taking into account the views of executive Directors and non-executive Directors; and
3. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Performance Evaluation of the Board

The performance evaluation of the Board as stipulated under the Listing Regulations and Section 134 of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, a formal annual evaluation has been carried out for evaluating the performance of the Board, the Committees of the Board and the Individual Directors including the Independent Directors and the Chairman.

The performance evaluation was carried out by obtaining feedback from all Directors through a

confidential online survey mechanism through Diligent Boards which is a secured electronic medium through which the Company interfaces with its Directors. The Directors were also provided an option to participate in physical mode. The outcome of this performance evaluation was placed before Nomination & Remuneration Committee, Independent Directors' Committee and the Board in their meetings for the consideration of members.

The review concluded by affirming that the Board as a whole as well as its Chairman, all of its members, individually and the Committees of the Board continued to display commitment to good governance by ensuring a constant improvement of processes and procedures and contributed their best in overall growth of the organization.

Nomination & Remuneration Policy

In terms of the provisions of Section 134(3)(e) and 178 of the Act, the Board of Directors on the recommendation of the Nomination & Remuneration Committee have put in place a policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided. The said Policy is available on our website at <https://www.maxvil.com/shareholder-information/>.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has requisite policy for prevention, prohibition and redressal of Sexual Harassment of Women at Workplace. This comprehensive policy ensures gender equality and the right to work with dignity. The Internal Complaints Committee (ICC) is in place for redressal of complaints received relating to sexual harassment.

During FY 2020 and till the date of this report, no complaint pertaining to sexual harassment was received by ICC.

Particulars of Loans, Guarantees or Investments in Securities

The details of loans, guarantees and investments are provided in Note No. 35 to the standalone financial

statements forming part of this Annual Report.

Contracts or Arrangements with Related Parties

All transactions entered by the Company during FY 2020 with related parties under the Act were in the ordinary course of business and on an arm's length basis. Further, your Company did not enter into any Related Party Transaction which may be considered material in terms of the Listing Regulations and thus disclosure in Form AOC-2 is considered to be not applicable to the Company.

The details of all related party transactions are provided in Note No. 34 to the standalone financial statements attached to this Report.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at <https://www.maxvil.com/shareholder-information/>

Risk Management

Your Company considers that risk is an integral part of its business and therefore, it takes proper steps to manage all risks in a proactive and efficient manner. The Company management periodically assesses risks in the internal and external environment and incorporates suitable risk treatment processes in its strategy, business and operating plans.

There are no risks which, in the opinion of the Board, threaten the very existence of your Company. However, some of the challenges faced by the Company and/or its key operating subsidiaries have been dealt in detail in the Management Discussion and Analysis Report forming part of this Annual Report and the Letter of Offer filed by the Company with the Stock Exchanges at the time of rights issue. A copy of the same can be accessed at the Company's website at <https://www.maxvil.com/wp-content/uploads/2018/12/Max-Ventures-and-Industries-Limited-LOF.pdf>

Vigil Mechanism

The Company has a vigil mechanism pursuant to which a Whistle Blower Policy ('Policy') has been adopted and the same is hosted on the Company's website at

<https://www.maxvil.com/shareholder-information/>

It provides opportunity to the directors, stakeholders and employees to report in good faith about the unethical and improper practices, fraud or violation of Company's Code of Conduct. The Policy also provides for adequate safeguard against victimization of the whistleblowers using such mechanism. The Policy also provides for direct access to the Chairperson of the Audit Committee in exceptional cases.

The Company affirms that no person was denied access to the Audit Committee on matters relating to the Policy during FY 2020.

Human Resources

The information required under Section 197(12) of the Act read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is given in 'Annexure - 4'.

Particulars of Conservation of Energy, Technology Absorption & Foreign Exchange Earning and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings & outgo as stipulated under Section 134(3) (m) of the Act read with Companies (Accounts) Rules, 2014 is as follows:

a) Conservation of Energy

(i) *the steps taken or impact on conservation of energy*

Regular efforts are made to conserve the energy through various means such as use of low energy consuming lightings, etc.

(ii) *the steps taken by the Company for using alternate sources of energy*

Since your Company is not an energy intensive unit, utilization of alternate source of energy may not be feasible.

(iii) *Capital investment on energy conservation equipment:*

Nil

b) Technology Absorption

Your Company is not engaged in manufacturing activities therefore, there is no specific information to be furnished in this regard.

There was no expenditure on Research and Development during FY 2020.

c) Foreign Exchange Earnings and Outgo

The foreign exchange earnings and outgo during FY 2020 are given below:

Total Foreign Exchange earned: NIL

Total Foreign Exchange used : Rs.69.40 Lakhs

Statutory Auditors and Auditors' Report

Pursuant to provisions of Section 139 and other applicable provisions, if any, of the Act, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E) were appointed as Statutory Auditors of the Company at the first Annual General Meeting (AGM) held on September 27, 2016 to hold office till the conclusion of the fifth AGM of the Company to be held in this year.

In view of the above, it is proposed to re-appoint M/s. S. R. Batliboi & Co. LLP as Statutory Auditors of the Company for a period of five years commencing from the conclusion of the ensuring AGM till the conclusion of the 10th AGM of the Company to be held in the year 2025. The Company has received a certificate from M/s. S. R. Batliboi & Co. LLP to the effect that they are eligible for appointment as the Statutory Auditors of the Company in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Auditors Report annexed with this Annual Report, does not contain any qualification, reservation or adverse remarks.

Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors appointed M/s. Sanjay Grover & Associates, Company Secretaries to undertake the

Secretarial Audit of your Company. The Report of the Secretarial Auditor has been annexed as '**Annexure-5**' to this Report, which is self-explanatory.

There are no qualifications, reservations, adverse remarks or disclaimers given by the Secretarial Auditors in their Report for the year under review and therefore, hence, does not call for any further comments.

Internal Auditors

M/s MGC Global Risk Advisory LLP were appointed as the Internal Auditors of the Company for conducting the Internal Audit of key functions and assessment of Internal Financial Controls for FY 2020.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation effectiveness were observed.

Further, the testing of such controls was also carried out independently by the Statutory Auditors for FY 2020.

In the opinion of the Board, the existing internal control framework is adequate and commensurate with the size and nature of the business of the Company.

Reporting of Frauds by Auditors

During FY 2020, neither the statutory auditors nor the internal auditors or secretarial auditors have reported to the Audit Committee under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which are required to be mentioned in the Board's Report.

Corporate Social Responsibility Policy (CSR Policy)

In terms of the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company, on the recommendation of Corporate Social Responsibility Committee ("CSR Committee"),

approved a CSR policy which is available on the website of the Company at <https://www.maxvil.com/shareholder-information/>

The Annual Report on CSR Activities of the Company for FY 2020 is enclosed as 'Annexure-6' to this Report, which is self-explanatory.

Business Responsibility Report

In terms of Clause 34(2)(f) of the Listing Regulations, 2013, a Business Responsibility Report, on various initiatives taken by the Company, is enclosed to this report as Annexure - 7.

Cost Records

For FY 2020, the provisions of Section 148(1) of the Act relating to maintenance of cost records does not apply to the Company.

Public Deposits

During FY 2020, the Company has not accepted or renewed any deposits from the public.

Secretarial Standards

During FY 2020, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Directors' Responsibility Statement

In terms of Section 134(3)(c) of the Act and to the best of their knowledge and belief, and according to the information and explanation provided to them, your Directors hereby confirm that:

- (a) in preparation of the Financial Statements, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- (b) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2020 and

of the profit of the Company for year ended on that date;

- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities;
- (d) the financial statements have been prepared on going concern basis;
- (e) proper internal financial controls were in place and that financial controls were adequate and were operating effectively; and
- (f) the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Unclaimed Shares

Pursuant to the provisions of Regulation 39 of the Listing Regulations, the Company has transferred the unclaimed equity shares on July 18, 2017 in the Demat Account titled as 'MAX VENTURES AND INDUSTRIES LIMITED- UNCLAIMED SUSPENSE ACCOUNT'. The equity shares transferred to said Unclaimed Suspense Account belong to the members who have not claimed their Share Certificates pertaining to the equity shares of the Face Value of Rs. 10/- (Rupees Ten only) each.

The details of equity shares of the Company held in the Unclaimed Suspense Account have been provided in the Corporate Governance Report which forms part of this Annual Report.

Significant and/or material Orders passed by Regulators or the Courts

There were no significant and/or material orders passed against your Company by the regulators / courts / tribunals during FY 2020 which may impact the going concern status and your Company's operations in future.

Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

Acknowledgements

Your Directors would like to place on record their sincere appreciation for the continued co-operation and contribution made by its management and employees towards the growth of the Company. Your Directors acknowledge with thanks the co-operation and assistance received from various agencies of the Central and State Governments, Financial Institutions and Banks, Shareholders and all other business associates.

On behalf of the Board of Directors
Max Ventures and Industries Limited

Date: June 05, 2020
Place: New Delhi

Sahil Vachani
Managing Director and CEO
DIN: 00761695

Mohit Talwar
Vice-Chairman
DIN: 02394694

ANNEXURE - 1

Form AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statements of subsidiaries or associate companies or joint ventures**Part A - Subsidiaries***(Amount Rs. in Lakhs, except otherwise stated)*

S. No.	Particulars	Max Speciality Films Limited	Max Estates Limited	Max I. Limited	Max Asset Services Limited	Wise Zone Builders Private Limited	Pharmax Corporation Limited	Northern Propmart Solutions Ltd.
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020	November 25, 2019 to March 31, 2020	June 24, 2019 to March 31, 2020
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3.	Equity Share capital	3,890.63	7,791.00	5.00	205.00	6,506.00	555.92	7,001.96
4.	Other Equity	21304.44	33,101.19	4,573.57	(1,511.02)	27,624.47	(348.76)	(55.37)
5.	Total Assets	82,754.31	64,317.27	10,456.25	647.62	46,438.83	3,902.77	14,048.28
6.	Total Liabilities	57,563.94	23,425.08	5,877.68	1,953.64	12,308.36	3,695.61	7,101.69
7.	Investments	-	47,286.12	10,406.99	-	-	-	-
8.	Total income	97331.74	1,352.83	2,794.21	796.71	36,913.31	47.27	-
9.	Profit before taxation	2,206.30	(1,247.58)	2,175.34	(115.22)	2,273.71	(244.28)	(1.11)
10.	Provision for taxation	727.34	-	522.18	(29.00)	536.16	119.39	-
11.	Profit after taxation	1,478.96	(1,247.58)	1,653.16	(86.22)	1,710.55	(363.67)	(1.11)
12.	Other Comprehensive income	1,490.41	(0.29)	(0.24)	(0.34)	0.20	-	-
13.	Total Comprehensive income	1,495.11	(1,247.87)	1,652.92	(86.56)	1,710.75	(363.67)	(1.11)
14.	Proposed Dividend	-	-	-	-	-	-	-
15.	Extent of shareholding (in %)	51%	100%	100%	100%	100%	85.17%	51%

PART – B – **Not Applicable** since there are no associates or joint ventures of the company.**For and on behalf of the Board of Directors of Max Ventures and Industries Limited****Dinesh Kumar Mittal**

(Director)

DIN: 00040000

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : New Delhi

Date: June 5, 2020

ANNEXURE - 2

FORM MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	L85100PB2015PLC039204
ii)	Registration Date	:	January 20, 2015
iii)	Name of the Company	:	MAX VENTURES AND INDUSTRIES LIMITED
iv)	Category / Sub-Category of the Company	:	Public Company Limited by Shares / Indian Non-Government Company
v)	Address of the Registered office and contact details	:	419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab Tel: +91 1881 462000; Fax: +91 1881 273607
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	MAS Services Limited T-34, 2nd floor, Okhla Industrial Area, Phase –II, New Delhi - 110020 Phone : 011 - 26387281/82/83 E-mail : info@masserv.com Website : www.masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Company is engaged in the business of investments and providing consultancy services to group companies. The business activities of the Company namely Management Consultancy (NIC Code: 70200) and Investing in Subsidiaries (NIC Code: 64200), respectively constitutes 50.57% and 49.43% of total turnover of the Company.

However, since it is primarily engaged only in one business segment viz, "Business Investment" and most of the operations are in India, there are no separate reportable segments as per Ind AS 108 prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Your Company did not have holding and associate companies during the year under review. As on March 31, 2020, the Company had following Subsidiary Companies:

Sl. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1	Max Speciality Films Limited 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab	U24100PB2012PLC036981	Subsidiary	51%	2(87)(ii)
2	Max Estates Limited 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab	U70200PB2016PLC040200	Subsidiary	100%	2(87)(ii)

Sl. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
3	Max I. Limited 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab	U74999PB2016PLC045450	Subsidiary	100%	2(87)(ii)
4	Max Asset Services Limited 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab	U74999PB2016PLC045648	Subsidiary	100%	2(87)(ii)
5	Wise Zone Builders Private Limited Max Towers, L-12, C-001/A/1, Sector -16B, Noida, Gautam Buddha Nagar – 201301, Uttar Pradesh	U70109UP2016PTC087374	Subsidiary	100%	2(87)(ii)
6	Pharmax Corporation Limited Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab	U24232PB1989PLC009741	Subsidiary	85.17%	2(87)(ii)
7	Northern Propmart Solutions Limited Max Towers, L-12, C-001/A/1, Sector -16B, Noida, Gautam Buddha Nagar – 201301, Uttar Pradesh	U70200UP2019PLC118369	Subsidiary	51%	2(87)(ii)

IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity)

i) Category-wise shareholding

Sl. No.	Category of Shareholders	No. of Shares held on April 1, 2019				No. of Shares held on March 31, 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters & Promoter Group									
1	Indian									
a)	Individual/HUF	30,50,065	-	30,50,065	2.08	43,52,367	-	43,52,367	2.97	0.89
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	6,60,66,527	-	6,60,66,527	45.07	6,84,83,919	-	6,84,83,919	46.71	1.64
e)	Banks / FI		-	-	-	-	-	-	-	-
f)	Any Other		-	-	-	-	-	-	-	-
	Sub-total (A) (1)	6,91,16,592	-	6,91,16,592	47.15	7,28,36,286	-	7,28,36,286	49.68	2.53
2	Foreign									

Sl. No.	Category of Shareholders	No. of Shares held on April 1, 2019				No. of Shares held on March 31, 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter & Promoter Group [(A) = (A)(1)+(A)(2)]	6,91,16,592	-	6,91,16,592	47.15	7,28,36,286	-	7,28,36,286	49.68	2.53
B.	Public Shareholding									
1	Institutions									
a)	Mutual Funds	748	80	828	0.00	80,848	80	80,928	0.06	0.06
b)	Banks / FI	73,051	2,650	75,701	0.05	1,30,790	2,550	1,33,340	0.09	0.04
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	Foreign Portfolio Investors	1,33,60,546	-	1,33,60,546	9.11	1,10,78,500	-	1,10,78,500	7.55	(-) 1.56
h)	Foreign Venture Capital Investors	-	-	-	-					
i)	Any other (FDI)	3,12,82,950	-	3,12,82,950	21.34	3,12,82,950	-	3,12,82,950	21.34	-
j)	Any other (Foreign Institutional Investor)	15,13,111	-	15,13,111	1.03	27,04,853	-	27,04,853	1.84	0.81
	Sub-total (B)(1)	4,62,30,406	2,730	4,62,33,136	31.53	4,52,77,941	2,630	4,52,80,571	30.88	(-) 0.65
2	Non-Institutions									
a)	Bodies Corp.									
	i) Indian	24,62,464	11,594	24,74,058	1.69	24,45,348	11,594	24,56,942	1.68	(-) 0.01
	ii) Overseas									
b)	Individuals									
	i) holding shares upto Rs.2 lakhs	1,41,98,157	2,61,188	1,44,59,345	9.86	1,30,63,221	2,30,517	1,32,93,738	9.07	(-) 0.79
	ii) holding shares above Rs.2 lakhs	1,04,14,252	1,71,860	1,05,86,112	7.22	92,16,428	-	92,16,428	6.28	(-) 0.94

Sl. No.	Category of Shareholders	No. of Shares held on April 1, 2019				No. of Shares held on March 31, 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c)	NBFCs Registered with RBI	22,743	-	22,743	0.02	6,320	-	6,320	0.00	(-) 0.02
d)	Employees Trusts	-	-	-	-	-	-	-	-	-
e)	Any Others	-	-	-	-	-	-	-	-	-
	Non-Resident Indians	28,40,769	2,904	28,43,673	1.94	29,17,504	2,744	29,20,248	1.99	0.05
	Clearing Members	5,98,693	-	5,98,693	0.41	3,11,627	-	3,11,627	0.21	(-) 20
	Trusts	17,881	-	17,881	0.01	16,101	-	16,101	0.01	-
	Directors and Relatives	1,41,138	1,000	1,42,138	0.10	1,79,183	1,000	1,80,183	0.12	0.02
	Unclaimed shares (IEPF)	1,06,411	-	1,06,411	0.07	1,05,618	-	1,05,618	0.07	-
	Sub-total (B)(2)	3,08,02,508	4,48,546	3,12,51,054	21.32	2,82,61,350	2,45,855	2,85,07,205	19.44	(-) 1.88
	Total Public Shareholding [(B)=(B)(1)+(B)(2)]	7,70,32,914	4,51,276	7,74,84,190	52.85	7,35,39,291	2,48,485	7,37,87,776	50.32	(-) 0.53
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	14,61,49,506	4,51,276	1,46,60,782	100.00	14,63,75,577	2,48,485	14,66,24,062	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares	% of Shares Pledged / encumbered to total shares	
1	Mr. Analjit Singh	27,91,542	1.90	-	40,93,844	2.79	-	0.89
2	Mrs. Neelu Analjit Singh	47,501	0.03	-	47,501	0.03	-	-
3	Ms. Piya Singh	52,407	0.04	-	52,407	0.04	-	-
4	Mr. Veer Singh	47,637	0.03	-	47,637	0.03	-	-
5	Mrs. Tara Singh Vachani	47,501	0.03	-	47,501	0.03	-	-
6	Max Ventures Investment Holdings Private Limited	4,93,37,874	33.66	-	4,93,37,874	33.66	-	-
7	Siva Enterprises Pvt Ltd	1,67,28,653	11.41	-	1,91,46,045	13.06	-	1.65
	TOTAL	6,90,53,115	47.10	-	7,27,72,809	49.64	-	2.54

(iii) Change in Promoters' Shareholding

S. No.	Name of the shareholder	Shareholding			Reason for increase / decrease	Cumulative shareholding during the year	
		Date	No. of Shares	% of total shares		No. of Shares	% of total shares
1	Mr. Analjit Singh						
	At the beginning of the year	01-04-2019	27,91,542	1.90			
	Date wise increase / decrease	16-12-2019	2,000	0.001	Market Purchase	27,93,542	1.90
		18-12-2019	1,20,000	0.08		29,13,542	1.98
		19-12-2019	1,21,892	0.08		30,35,434	2.06
		20-12-2019	1,21,900	0.08		31,57,334	2.14
		23-12-2019	11,631	0.01		31,68,965	2.15
		24-12-2019	1,21,152	0.08		32,90,117	2.23
		26-12-2019	1,08,149	0.07		33,98,266	2.30
		27-12-2019	41,416	0.04		34,39,682	2.34
		30-12-2019	1,11,257	0.08		35,50,939	2.42
		31-12-2019	2,78,526	0.18		38,29,465	2.60
		18-02-2020	38,378	0.03		38,67,843	2.63
		19-02-2020	1,94,001	0.13		40,61,844	2.76
		20-02-2020	32,000	0.03		40,93,844	2.79
	At the end of year	31-03-2020	40,93,844	2.79			
2	Siva Enterprises Private Limited						
	At the beginning of the year	01-04-2019	1,67,28,653	11.41			
	Date wise increase / decrease	13-08-2019	61,021	0.04	Market Purchase	1,67,89,674	11.45
		14-08-2019	1,05,817	0.07		1,68,95,491	11.52
		16-08-2019	1,76,562	0.12		1,70,72,053	11.64
		19-08-2019	3,00,000	0.20		1,73,72,053	11.84
		20-08-2019	21,872	0.01		1,73,93,925	11.85
		21-08-2019	1,30,129	0.09		1,75,24,054	11.94
		05-09-2019	1,00,000	0.07		1,76,24,054	12.01
		06-09-2019	1,00,000	0.07		1,77,24,054	12.08
		09-12-2019	15,100	0.01		1,77,39,154	12.09
		10-12-2019	3,00,000	0.21		1,80,39,154	12.30
		11-12-2019	1,60,709	0.11		1,81,99,863	12.41
		12-12-2019	1,00,000	0.07		1,82,99,863	12.48
		13-12-2019	1,21,252	0.08		1,84,21,115	12.56
		16-12-2019	28,719	0.02		1,84,49,834	12.58
		17-12-2019	66,320	0.05		1,85,16,154	12.63
		18-12-2019	17,090	0.01		1,85,33,244	12.64
		19-12-2019	1,00,000	0.07		1,86,33,244	12.71
		20-12-2019	2,20,120	0.15		1,88,53,364	12.86
		30-12-2019	1,41,881	0.10		1,89,95,245	12.96
		31-12-2019	50,000	0.03		1,90,45,245	12.99
		19-02-2020	72,500	0.05		1,91,17,745	13.04
		20-02-2020	28,300	0.02		1,91,46,045	13.06
	At the end of year	31-03-2020	1,91,46,045	13.06			

Note: There was no change in shareholding of other Promoters during FY 2020.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding			Reason for increase / decrease	Cumulative shareholding during the year	
		Date	No. of shares	% of total shares		No. of shares	% of total shares
1.	New York Life International Holdings Limited, Mauritius						
	At the beginning of the year	01-04-2019	3,12,82,950	21.335	-	-	-
	Date wise increase / decrease	-	-	-	-	3,12,82,950	21.335
	At the end of the year	31-03-2020	3,12,82,950	21.335	-	-	-
2.	First State Investments ICVC-First State Asia Focus Fund						
	At the beginning of the year	01-04-2019	58,06,849	3-960	-	-	-
	Date wise increase / decrease	23-08-2019	4,56,250	0.311	Market Sale	53,50,599	3.649
		30-08-2019	12,589	0.008		53,38,010	3.641
		06-09-2019	44,179	0.030		52,93,831	3.610
		13-09-2019	76,827	0.052		52,17,004	3.558
		04-10-2019	4,817	0.003		52,12,187	3.555
		11-10-2019	11,627	0.008		52,00,560	3.547
		18-10-2019	8,682	0.006		51,91,878	3.541
		26-10-2019	14,347	0.009		51,77,531	3.531
		01-11-2019	68,457	0.046		51,09,074	3.484
		08-11-2019	4,28,429	0.292		46,80,645	3.192
		15-11-2019	2,72,069	0.185		44,08,576	3.007
		22-11-2019	8,650	0.006		43,99,926	3.001
	At the end of the year	31-03-2020	43,99,926	3.001	-	-	-
3.	Indgrowth Capital Fund 1						
	At the beginning of the year	01-04-2019	26,69,873	1,821			
	Date wise increase / decrease	27-09-2019	14,980	0.010	Market Purchase	26,84,853	1-831
		06-03-2020	20,000	0.013		27,04,853	1.844
	At the end of the year	31-03-2020	27,04,853	1.844			
4.	India Insight Value Fund						
	At the beginning of the year	01-04-2019	15,12,000	1.031	-	10,30,821	

Sl. No.	Name of the Shareholder	Shareholding			Reason for increase / decrease	Cumulative shareholding during the year	
		Date	No. of shares	% of total shares		No. of shares	% of total shares
	Date wise increase / decrease	26-04-2019	18,000		Market Purchase	15,30,000	1.043
		15-05-2019	6,303			15,36,303	1.048
		24-05-2019	40,264			15,76,567	1.075
		31-05-2019	28,433			16,05,000	1.095
		14-06-2019	19,500			16,24,500	1.108
		21-06-2019	25,500			16,50,000	1.125
		28-06-2019	75,000			17,25,000	1.176
		05-07-2019	8,493			17,33,493	1.182
		12-07-2019	21,507			17,55,000	1.197
		19-07-2019	21,900			17,76,900	1.212
		02-08-2019	1,37,100			19,14,000	1.305
		09-08-2019	36,000			19,50,000	1.330
		16-08-2019	1,55,875			21,05,875	1.436
		23-08-2019	24,125			21,30,000	1.453
		30-08-2019	43,215			21,73,215	1.482
		06-09-2019	31,785			22,05,000	1.504
		22-11-2019	35,336			22,40,336	1.528
		29-11-2019	48,664			22,89,000	1.561
		06-12-2019	79,761			23,68,761	1.616
		13-12-2019	30,000			23,98,761	1.636
		20-12-2019	61,239			24,60,000	1.678
		27-12-2019	398			24,60,398	1.678
		17-01-2020	29,602			24,90,000	1.698
		24-01-2020	75,000			25,65,000	1.749
		28-02-2020	15,000			25,80,000	1.760
		06-03-2020	64,033			26,44,033	1.803
		13-03-2020	15,000			26,59,033	1.814
	At the end of the year	31-03-2020	26,59,033	1.814			
5.	New York Life Insurance Company						
	At the beginning of the year	01-04-2019	20,77,260	1.417			
	Date wise increase / decrease	-	-	-	-	20,77,260	1.417
	At the end of the year	31-03-2020	20,77,260	1.417			
6.	Satpal Khattar						
	At the beginning of the year	01-04-2019	-	-		=	-
	Date wise increase / decrease	29-11-2019	16,60,932	1.133	Market Purchase	16,60,932	1.133
	At the end of the year	31-03-2020	16,60,932	1.133			
7.	First State Investments ICVC - First State Asia All Cap Fund						
	At the beginning of the year	01-04-2019	14,47,189	0.987	-	-	-

Sl. No.	Name of the Shareholder	Shareholding			Reason for increase / decrease	Cumulative shareholding during the year	
		Date	No. of shares	% of total shares		No. of shares	% of total shares
	Date wise increase / decrease	16-08-2019	54,044	0.036	Market Sale	13,93,145	0.950
	At the end of the year	31-03-2020	13,93,145	0.950			
8.	Vishanji Shamji Dedhia						
	At the beginning of the year	01-04-2019	3,60,000	0.246	-	-	-
	Date wise increase / decrease	08-11-2019	50,000	0.034	Market Purchase	4,10,000	0.280
		27-12-2019	50,000	0.034		4,60,000	0.314
		13-03-2020	50,000	0.034		5,10,000	0.348
		20-03-2020	50,000	0.034		5,60,000	0.382
	At the end of the year	31-03-2020	5,60,000	0.382			
9.	First State Asia Pacific All Cap Fund As Sub Fund Of First State Global Umbrella Fund PLC						
	At the beginning of the year	01-04-2019	9,65,443	0.658			
	Date wise increase / decrease	12-04-2019	7,301	0.004	Market Sale	9,58,142	0.653
		19-04-2019	70,391	0.048		8,87,751	0.605
		26-04-2019	63,356	0.043		8,24,395	0.562
		03-05-2019	6,785	0.004		8,17,610	0.558
		26-07-2019	29,254	0.019		7,88,356	0.538
		04-10-2019	105	0.000		7,88,251	0.538
		11-10-2019	252	0.000		7,87,999	0.537
		18-10-2019	189	0.000		7,87,810	0.537
		25-10-2019	311	0.000		7,87,499	0.537
		01-11-2019	1,486	0.001		7,86,013	0.536
		08-11-2019	9,301	0.006		7,76,712	0.530
		15-11-2019	5,908	0.004		7,70,804	0.526
		22-11-2019	188	0.000		7,70,616	0.526
		20-12-2019	59,152	0.040		7,11,464	0.485
		13-03-2020	80,658	0.055		6,30,806	0.430
		20-03-2020	82,781	0.056		5,48,025	0.374
	At the end of the year	31-03-2020	5,48,025	0.374			
10.	Mr. Anil Vishanji Dedhia						
	At the beginning of the year	01-04-2019	3,90,000	0.266			
	Date wise increase / decrease	20-09-2019	31,324	0.021	Market Purchase	4,21,324	0.287
		27-09-2019	68,676	0.046		4,90,000	0.334
		17-01-2020	20,000	0.013		5,10,000	0.348
		31-01-2020	30,000	0.020		5,40,000	0.368
	At the end of the year	31-03-2020	5,40,000	0.368			

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the shareholder	Shareholding			Reason for increase / decrease	Cumulative shareholding during the year	
		Date	No. of Shares	% of total shares		No. of Shares	% of total shares
1	Mr. Analjit Singh						
	At the beginning of the year	01-04-2019	27,91,542	1.90			
	Date wise increase / decrease	16-12-2019	2,000	0.001	Market Purchase	27,93,542	1.90
		18-12-2019	1,20,000	0.08		29,13,542	1.98
		19-12-2019	1,21,892	0.08		30,35,434	2.06
		20-12-2019	1,21,900	0.08		31,57,334	2.14
		23-12-2019	11,631	0.01		31,68,965	2.15
		24-12-2019	1,21,152	0.08		32,90,117	2.23
		26-12-2019	1,08,149	0.07		33,98,266	2.30
		27-12-2019	41,416	0.04		34,39,682	2.34
		30-12-2019	1,11,257	0.08		35,50,939	2.42
		31-12-2019	2,78,526	0.18		38,29,465	2.60
		18-02-2020	38,378	0.03		38,67,843	2.63
		19-02-2020	1,94,001	0.13		40,61,844	2.76
		20-02-2020	32,000	0.03		40,93,844	2.79
	At the end of year	31-03-2020	40,93,844	2.79			
2	Mr. Mohit Talwar						
	At the beginning of the year	01-04-2019	141,138	0.10			
	Date wise increase / decrease	19-04-2019	1,130	0.001	Allotment under ESOP	142,268	0.10
		10-12-2019	22,150	0.02		164,418	0.12
	At the end of year	31-03-2020	1,64,418	0.12			
3	Mr. K. Narasimha Murthy						
	At the beginning of the year	01-04-2019	1,000	0.0006			
	Date wise increase / decrease	13-03-2020	10,000	0.01	Market Purchase	11,000	0.01
	At the end of year	31-03-2020	11,000	0.01			
4	Mr. Dinesh Kumar Mittal						
	At the beginning of the year	01-04-2019	-	-			
	Date wise increase / decrease	30-09-2019	2,690	0.002	Market Purchase	2,690	0.002
	At the end of year	31-03-2020	2,690	0.002			

Note: No other director or key managerial personnel holds any share in the Company as on March 31, 2020.

V. INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs. in Lakhs)

	Secured Loans excluding deposits (Vehicle loan)	Unsecured Loans	Deposits#	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	15.07	-	11.96	27.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	15.07	-	11.96	27.03
Change in Indebtedness during the financial year				
Addition	-	-	3.03	3.03
Reduction	15.07	-	-	-
Net Change	(15.07)	-	3.03	(12.04)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	14.99	14.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	14.99	14.99

Deposits means amount received from employees against vehicle as per Company Car lease policy

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of Managing Director
		Mr. Sahil Vachani
1.	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	2,78,88,054
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	
	c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	• As % of profit	
	• Others, specify	
5.	Others, please specify	
	- Company contribution to PF	7,39,728
	- Insurance Premium	31,653
	Total (A)	2,86,59,435
	Ceiling as per the Act	4,80,00,000

Notes:

- Mr. Sahil Vachani is not in receipt of any remuneration or commission from any of Company's holding or subsidiary.

B. Remuneration to other directors:

(in Rs.)

Sl. No.	Particulars of remuneration	Name of Directors					Total Amount
1.	Independent Directors	Mr. K. N Murthy	Mr. D. K. Mittal	Mr. Ashok Kacker	Mr. Niten Malhan	Mrs. Gauri Padmanabhan	
	a) Fee for attending Board/ Committee meetings	16,00,000	20,00,000	16,00,000	1,00,000	5,00,000	58,00,000
	b) Commission	-	-	-	-	-	-
	c) Others	-	-	-	-	-	-
	TOTAL (1)	16,00,000	20,00,000	16,00,000	1,00,000	5,00,000	58,00,000
2.	Other Non-Executive Directors	Mr. Analjit Singh	Mr. Mohit Talwar	Mr. Arthur Seter			
	a) Fee for attending Board/ Committee meetings	4,00,000	15,00,000	-	-	-	19,00,000
	b) Commission	-	-	-	-	-	-
	c) Others	-	-	-	-	-	-
	TOTAL (2)	4,00,000	15,00,000	-	-	-	19,00,000
	TOTAL B = (1+2)						77,00,000
	TOTAL MANAGERIAL REMUNERATION (A+B)						3,74,19,704
	Overall ceiling as per the Act						4,80,00,000

Notes:

- The sitting fee excludes GST, cess paid/payable on such fee.
- The overall ceiling does not include the sitting fee payable to Non-Executive Directors in terms of Section 197 of the Act.

C. Remuneration to Key Managerial Personnel (KMP) other than Managing Director/Manager/ Whole-time Directors:

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of KMP	
		Mr. Nitin Kumar Kansal (Chief Financial Officer)	Mr. Saket Gupta (Company Secretary)
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	1,02,43,498	30,83,681
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961		29,700
	c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	• As % of profit	-	-
	• Others, specify	-	-
5.	Others, please specify		
	- Company contribution to PF	5,02,296	1,41,360
	- Insurance Premium	1,13,642	31,445
	Total	1,08,59,436	32,86,186

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NONE

On behalf of the Board of Directors
Max Ventures and Industries Limited

Date: June 05, 2020
Place: New Delhi

Sahil Vachani
Managing Director and CEO
DIN: 00761695

Mohit Talwar
Vice-Chairman
DIN: 02394694

Annexure - 3

Disclosure under Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 and Rule 12(9) of Companies (Share Capital & Debentures) Rules, 2014 for the financial year ended March 31, 2020 ("FY 2020")**A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time**

Please refer Note no. 30.3 of Standalone Financial Statements for FY 2020.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time

Please refer Note no. 26 of Standalone Financial Statements for FY 2020.

C. Summary of status of Stock Options granted:**i. The description of Max Ventures and Industries Limited - Employee Stock Plan 2016 is summarised as under:**

S. No.	Particulars	Details
1	Date of shareholders' approval	September 27, 2016
2	Total number of options approved under ESOS	26,69,840
3	Vesting requirements	Vesting may be time based or performance based as determined by the Nomination & Remuneration Committee, from time to time.
4	Exercise price or pricing formula	As determined by the Nomination & Remuneration Committee, from time to time.
5	Maximum term of options granted	As determined by the Nomination & Remuneration Committee, subject to the compliance of securities and exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	Nil

ii. Method used to account for ESOS

The fair value at grant date has been determined using the Black- Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

iii. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed

Not applicable.

iv. Option movement during the year

Number of options outstanding at the beginning of the period	2,16,850
Number of options granted during the year	-
Number of options forfeited / lapsed during the year	-
Number of options vested during the year	105,040
Number of options exercised during the year	23,280
Number of shares arising as a result of exercise of options	23,280
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Rs.5,64,800/-
Loan repaid by the Trust during the year from exercise price received	Not applicable
Number of options outstanding at the end of the year	1,93,570

v. Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock

Refer point (vii) below.

vi. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to-

- a) Senior Managerial Personnel
Nil
- b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and
Nil
- c) identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.
Nil

vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

	Grant Type I	Grant Type II
The weighted-average values of share price (Rs.)	67.15	67.15
Exercise price (Rs.)	66.40	66.40
Expected volatility	42.32%	42.32%
Expected option life	3.50 years	4.00 years
Expected dividends	0%	0%
Risk-free interest rate	7.04%	7.13%
Any other inputs to the model	Nil	Nil
The method used and the assumptions made to incorporate the effects of expected early exercise	Black-Scholes option pricing Model	
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The measure of volatility used in option pricing models is the annualized standard deviation of the continuously compounded rates of return on the share over a period of time.	
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Through volatility and risk free rate	

On behalf of the Board of Directors
Max Ventures and Industries Limited

Date: June 05, 2020
Place: New Delhi

Sahil Vachani
Managing Director and CEO
DIN: 00761695

Mohit Talwar
Vice-Chairman
DIN: 02394694

ANNEXURE – 4

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 15(1) OF THE COMPANIES (APPOINTMENT OF MANAGERIAL PERSONNEL) RULES, 2014.

- (a) **Ratio of remuneration of each Director to the median remuneration of all employees of the Company for the financial year:**

Director	Ratio to median remuneration
Mr. Sahil Vachani, Managing Director & CEO	8.7

- (b) **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:**

Name of Person	% Increase in remuneration
Mr. Sahil Vachani, Managing Director & CEO	10.75%
Mr. Nitin Kumar Kansal, Chief Financial Officer	8%
Mr. Saket Gupta, Company Secretary*	Not Applicable

* Was not eligible for increment in this performance appraisal cycle, since he joined on April 1, 2019.

Note: % increase in remuneration refers to increase in fixed salary as per the appraisal process.

- (c) **The percentage increase in the median remuneration of employees in the financial year:** 9% (on fixed salary)
- (d) **The number of permanent employees on the rolls of the Company:** 10
- (e) **Average percentile increase already made in the salaries in the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Average percentile increase in managerial remuneration was 9% (on the fixed salary). Further, as the Company was not having any employees other than the managerial personnel, the average percentile increase in salaries for such employees is not applicable. There were no exceptional circumstances for increase in the managerial remuneration.

- (f) The Company confirms that remuneration paid during the year 2019-20, is as per the Remuneration Policy of the Company.

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Details of top 10 employees in terms of remuneration drawn, including:**A. Employees who were employed throughout the year and were in receipt of remuneration of not less than Rs.1,02,00,000/- :**

Sl. No	Name	Designation	Age (Yrs.)	Remuneration (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1.	Mr. Sahil Vachani	Managing Director and CEO	37	2,86,59,435	B.Sc. (Management Sciences)	17	15-Jan-16	Siva Reality Ventures Pvt. Ltd.
2.	Mr. Rishi Raj	Chief Business Development Officer	43	1,43,62,859	Post Graduate Programme in Management	20	01-Apr-19	Max India Limited
3.	Mr. Rohit Rajput	Chief Executive Officer, Max Asset Services Ltd.	42	1,11,43,734	Post Graduate Programme in Management, B.E. (Mechanical)	18	13-Oct-16	Hay Group
4.	Mr. Nitin Kumar	Chief Financial Officer	44	1,08,59,436	Chartered Accountant	19	15-Jan-16	Max India Limited

B. Employees employed for a part of the financial year and were in receipt of remuneration of not less than Rs.8,50,000/- per month : Nil**C. Other employees:**

Sl. No	Name	Designation	Age (Yrs.)	Remuneration (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1.	Ms. Shruti Batish	Deputy General Manager	35	39,34,367	Master's in business law, LLB	11	01-Apr-16	Siva Reality Ventures Pvt. Ltd.
2.	Mr. Saket Gupta	Company Secretary	35	32,86,186	CS, LLB & B.Com.	13	01-Apr-19	Max Ventures Investment Holdings Private Limited
3.	Mr. Archit Goyal	Deputy General Manager	31	27,90,116	Master's in Business Finance, CA, B.Com. (Hons.)	9	22-Sep-17	Healthfore Technologies Limited
4.	Mr. Akshay Kumar Bhardwaj	Senior Manager - External Affairs	36	27,00,762	Master's in international finance, B.E.	13	18-Jul-16	EFS Facilities Services India Pvt. Ltd.
5.	Mr. Manendra Singh Gurjar	Manager - Government Relations	36	12,89,646	LLB, B.Sc. (Zoology)	11	03-Jul-17	Essence of Nature
6.	Mr. Akshay Lall	Associate Strategy	23	11,94,757	Bachelor of Arts, New York University	1.10	02-Jul-18	Not Applicable
7.	*Ms. Savi Madaan	Executive - Secretarial	24	3,65,152	CS & B. Com	0.10	01-Apr-19	Not Applicable

Notes:

1. Remuneration comprises of salary, allowances, value of rent free accommodation, bonus, medical expenses, leave travel assistance, personal accident and health insurance, company's contribution to provident fund, pension, gratuity and superannuation fund, leave encashment and value of perquisites.

2. None of the employees mentioned above is related to any Director of the Company, except Mr. Sahil Vachani, who is a relative of Mr. Analjit Singh.
3. All appointments are contractual on rolls of the Company and in accordance with the terms and conditions as per Company Rules / Policies.
4. *Ceased to be an employee w.e.f. February 14, 2020.
5. During FY 2019-20, no employee was in receipt of remuneration in excess of the Managing Director and CEO of the Company and held himself/herself or along with his/her spouse and dependent children 2% or more of the equity share of the Company.

On behalf of the Board of Directors
Max Ventures and Industries Limited

Date: June 05, 2020
Place: New Delhi

Sahil Vachani
Managing Director and CEO
DIN: 00761695

Mohit Talwar
Vice-Chairman
DIN: 02394694

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Max Venture and Industries Limited

(L85100PB2015PLC039204)

419, Bhai Mohan Singh Nagar,

Village Railmajra, Tehsil Balachaur,

NawanShehar, Punjab-144533

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Max Venture and Industries Limited** (hereinafter called 'the Company'), which is a listed Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion hereon.

We report that-

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- g) The auditor adhered to best professional standards and practices as could be possible while carrying out audit during the lock-down conditions due to Covid-19. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit in the aforesaid lock-down conditions.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures

Requirements) Regulations, 2015; (SEBI Listing Regulations)

* No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India which has been generally complied with.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines, to the extent applicable, as mentioned above.

- (vi) The Company is holding Company of Max Speciality Films Limited, Max Estates Limited, Max I. Limited and Max Asset Services Limited (formerly known as Max Learning Limited) and further Wise Zone Builders Private Limited, Northern Propmart Solutions Limited and Pharmax Corporation Limited are the step down subsidiaries of the Company, which are respectively engaged in the business of manufacturing & sale of Biaxially Oriented Polypropylene ("BoPP") metallised films, BoPP unmetallised films, thermal lamination films, leather finishing foils; real estate activities; facilitating Intellectual and Financial Capital to promising and proven early-stage organizations across identified sunrise sectors and education sector. As informed by the Management, there is no sector specific law applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent in advance of the meeting

and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has extended the benefits of ESOP plan 2016 of the Company to its eligible employees and directors of its subsidiaries vide special resolution passed by the Company in its Annual General Meeting

held on September 24, 2019.

We further report that during the audit period:

- i. Northern Propmart Solutions Limited ("NPSL") was incorporated on June 24, 2019 as a wholly owned subsidiary of Max Estates Limited ("MEL") a wholly owned subsidiary of Company, which has further become subsidiary of MEL consequent upon allotment of equity shares to New York Life Insurance Company on March 18, 2020.

Accordingly, NPSL is a step down subsidiary of the Company effective from June 24, 2019.

- ii. Max Estates Limited has acquired 85.17% equity share capital of Pharmax Corporation Limited and consequent to the completion of the acquisition, Pharmax Corporation Limited has become a step down subsidiary of the Company, effective from November 25, 2019.

Date: June 05, 2020
Place: New Delhi

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

Devesh Kumar Vasisht

Partner

CP No.: 13700

M No.: F8488

UDIN: F008488B000320461

Annexure – 6

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	:	<p>The Board of Directors has adopted a CSR Policy as recommended by the Corporate Social Responsibility Committee.</p> <p>The CSR Policy comprises Vision and Mission Statement, philosophy and objectives. The same can be viewed at www.maxvil.com.</p> <p>Under the said policy, the Company had proposed to undertake or contribute for the activities relating to community development, promotion of healthcare and education etc.</p>
2.	The composition of the CSR Committee as at March 31, 2020	:	<p>a) Mr. Mohit Talwar</p> <p>b) Mr. D. K. Mittal</p> <p>c) Mr. Sahil Vachani</p>
3.	Average net profit of the Company for last three financial years	:	Rs. 660.73 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	:	Rs.13.21 Lakhs
5.	Details of CSR spent during the financial year		
a)	Total amount to be spent for the financial year	:	Rs. 13.22 Lakhs
b)	Amount spent during the FY 2019-20 towards CSR obligation	:	Rs. 13.22 Lakhs
c)	Amount unspent, if any	:	Nil
d)	Manner in which the amount spent during the financial year	:	Refer detailed table below
6.	Reasons for not spending the prescribed amount	:	Not Applicable
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company	:	The CSR Committee of Max Ventures and Industries Limited do confirm that the Company has implemented and monitored the CSR Policy in compliance with its CSR objectives.

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local area or Other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. in Lakhs)	Amount spent on the projects or programs (Rs. in Lakhs)		Cumulative expenditure up to the reporting period (Rs. in Lakhs)	Amount spent: Direct or through implementing agency
					Direct expenditure on projects or programs	Overheads		
1.	Amount paid to Max India Foundation for COVID related welfare work	Health	Delhi NCR	13.22	13.22	Nil	13.22	Max India Foundation

On behalf of the Board of Directors
Max Ventures and Industries Limited

Date: June 05, 2020
Place: New Delhi

Sahil Vachani
Managing Director and CEO
DIN: 00761695

Dinesh Kumar Mittal
Director
DIN: 00040000

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:** L85100PB2015PLC039204
- Name of the Company:** Max Ventures and Industries Limited
- Registered address:** 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144533
- Website:** www.maxvil.com
- E-mail id:** secretarial@maxvil.com
- Financial Year reported:** FY 2019-20
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

S. No.	Name and Description of main products/ services	NIC code of the product/ services
1	Shared Services	70200- Management consultancy activities
2	Investing in Subsidiaries	64200- Activities of holding companies

- List three key products/services that the Company manufactures/provides (as in balance sheet):**
 - Management Consultancy Services
 - Investing in Subsidiaries
- Total number of locations where business activity is undertaken by the Company:**

The Company operates from its Corporate Office at Noida.

- Markets served by the Company:**

Being a Holding Company, the Company is having investments in various subsidiaries and primarily engaged in growing and nurturing these business investments and providing management

consultancy/ shared services to group companies in India only.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid-up capital:** Rs. 14,662.40 Lakhs
- Total turnover (Total income):** Rs. 2,965.84 Lakhs
- Total profit/(Loss) after tax (PAT):** Rs. 1,138.72 Lakhs
- Total spending on CSR as percentage of profit after tax:** Rs. 13.22 Lakhs, being 2% of Average net profits of the Company under section 198 of the Companies Act, 2013 for last three financial years.
- List of the activities in which expenditure in 4 above has been incurred:** Please refer Annexure-6 of Board's Report.

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?**
Yes

- Do the Subsidiary Company/Companies participate in the BR initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)**

The Company encourages all its operating subsidiaries to follow similar practices for Corporate Governance as the Parent Company does.

- Do any other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities [Less than 30%, 30-60%, More than 60%]:**

No

SECTION D: BR INFORMATION**1. Details of Director(s) responsible for BR:**

DIN: 00761695

Name: Mr. Sahil Vachani

Designation: Managing Director & CEO

2. Details of the BR head:

Name: Mr. Sahil Vachani

Designation: Managing Director & CEO

Telephone number: (0120) 4743222

Email ID: secretarial@maxvil.com

3. Principle-wise BR policy/policies: Included in this report.**4. Governance related to BR:** Included in this report.**Preface**

The Company, being a Holding Company, is having investments in various subsidiaries and primarily engages in growing and nurturing these business investments and providing shared services/management consultancy services to group companies.

Max India Foundation, a CSR arm of the Max Group has been responsible to implement the CSR programmes of the Company and focuses on healthcare, sanitation, safe drinking water, environment protection, financial literacy & insurance awareness and village adoption. It is committed to attaining the highest standards of service in protecting and enhancing the financial future of its customers by adhering to a set of values that is shared across the Group – Sevabhab (spirit of service), Excellence and Credibility.

SECTION E: PRINCIPLE-WISE PERFORMANCE**Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability****1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company has developed its Code of

Conduct, Whistle Blower Policy and Anti Bribery Policy. These policies are available at corporate website of the Company i.e. www.maxvil.com. The Company also encourages its subsidiaries to follow these policies.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

There were no stakeholder complaints received in the reporting period with regard to ethics, bribery and corruption. During the Financial Year ended March 31, 2020, 4 (four) complaints / query were received by the Company from the shareholders, which were general in nature, the same has been since responded.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

As explained above, the Company is not carrying out any manufacturing operations. The Company is having investments in various subsidiaries and primarily engaged in growing and nurturing these business investments and providing Management Consultancy Services to its group companies.

The Company endeavours to contribute to sustainability and conservation of resources in all possible manners. All Board level meetings have been made paperless. The agenda and other background papers for meetings of Board and committees thereof have been accessed electronically by directors through a secured IT Platform. Regular efforts are made to conserve the energy through various means such as use of low energy consuming lightings etc.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? Not applicable

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year? Not applicable

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

The Company, being a holding Company, is relatively less resource intensive in terms of material inputs. Our major material requirements are office, communications and IT related equipment. Despite the limited scope of our procurement needs, we continue to take initiatives to ensure responsible sourcing in all respects. We have a Code of Conduct for our senior employees and business associates, which outlines our expectations from them and ethical business practices. Therefore, it is not possible to ascertain the percentage of inputs that are sourced sustainably.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes - Materials pertaining to office stationary, IT consumables are purchased from local vendors. The Company, from time-to-time takes initiatives for upgrading skills of housekeeping and security staff.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (as <5%, 5-10%, >10%).

Used batteries are regularly given to authorised vendors for recycling in exchange of new batteries. Further, metal scrap is sold to our empanelled scrap dealers at best competitive quotes. It is difficult to arrive at %age of recycle

products and wastes.

Principle 3 - Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees:

10 Permanent Employees as on March 31, 2020.

2. Please indicate the total number of employees hired on temporary / contractual / casual basis:

No Employee on Fixed Term Contract and 01 Retainer / Consultant as on March 31, 2020.

3. Please indicate the number of permanent women employees:

01 Permanent Female Employees as on March 31, 2020.

4. Please indicate the number of permanent employees with disabilities: NIL

5. Do you have an employee association that is recognised by management? No

6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- **Permanent Employees:** Approximately 90% employees participated in Classroom Training Sessions, Conference and Seminars.

- **Permanent Women Employees:** There is only one female employee who participated in Classroom Training Sessions, Conference and Seminars.

- **Employees with Disabilities:** Not Applicable

Principle 4-Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders?

Yes. Employees and the Board of Directors are the internal stakeholder group while Subsidiaries, shareholders, investors, regulators, vendors and the community in the vicinity of our projects are primarily the external stakeholder groups of the Company.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

Yes, the Company regularly undertakes initiatives to engage with its internal and external stakeholders. The Company has processes in place to ensure upholding of the rights of its employees and protect them against any form of discrimination. Regular learning and development activities are being carried out for employees for their skill enhancement. The Company also has robust mechanisms in place which ensures full, fair, accurate, timely and understandable disclosures to all our Shareholders and investors.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Company ensures that all its policies are complied with as per conventionally understood provisions of human rights. The Company policies such as whistle blower policy and prevention against sexual harassment of women

at workplace are extended to all across the Group. We encourage our vendors and business associates to follow similar policies. There is no discrimination whatsoever in the Company on the basis of cast, creed, race, gender, religion or physical handicap.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any complaints from any stakeholders pertaining to human rights.

Principle 6 - Business should respect, protect, and make efforts to restore the environment

1. Does the policy relate to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ others?

The Company is committed to conduct its business in a manner that protects the natural environment. Being a Holding Company with no manufacturing operations, the Company doesn't have any adverse impact on environment.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

As stated above, the Company is not carrying out any manufacturing operations and therefore, it doesn't have any significant direct environmental impacts. However, regular efforts are made to conserve the energy through various means.

3. Does the Company identify and assess potential environmental risks? Y/N

Not Applicable for the reason stated in point no. 1 above.

4. Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?

Not Applicable for the reason stated in point no. 1 above.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

As stated in point no. 2 above.

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

Not Applicable

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with**

Confederation of Indian Industry (CII).

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

We do not engage in lobbying activities but actively participate in forums that impact the interest of stakeholders in general in the broad areas of governance, sustainable business development, taxes, etc.

Principle 8 - Businesses should support inclusive growth and equitable development

- 1) **Does the Company have specified programs / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**

CSR work of the Company primarily focuses on creating social inclusion and equitable development in the communities in the vicinity of Max Group Companies.

- 2) **Are the programs / projects undertaken through in-house team / own foundation / external NGO/ government structures/any other organization?**

The programs are implemented through Max India Foundation, a CSR arm of the Max Group.

- 3) **Have you done any impact assessment of your initiative? No**

- 4) **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

The details forms part of the report on Corporate Social Responsibility (CSR) Activities enclosed as Annexure- 6 to the Board's Report.

- 5) **Have you taken steps to ensure that this Community Development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The Community development initiatives of the Company have been explained in detail in the Business Responsibility review section of Annual Report.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

Being a Holding Company, the Company is having investments in various subsidiaries Company and primarily engaged in growing and nurturing these business investments and providing management consultancy services to group companies and therefore, the Company does not have customers or consumers under the scope of this BRR.

1. **What percentage of Customer complaints/ consumer cases are pending as on the end of**

financial year? Nil

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information): N.A.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year? Nil
4. Did your Company carry out any consumer survey / consumer satisfaction trends? Not required as the Company does not have any consumer base.

On behalf of the Board of Directors
Max Ventures and Industries Limited

Date: June 05, 2020
Place: New Delhi

Sahil Vachani
Managing Director and CEO
DIN: 00761695

Mohit Talwar
Vice-Chairman
DIN: 02394694





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Standalone Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Members of Max Ventures and Industries Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Max Ventures and Industries Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and

we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 39 of the accompanying standalone Ind AS financial statements which, describes the management's evaluation of impact of uncertainties related to COVID-19 pandemic and its consequential effects on the carrying value of its assets as at March 31, 2020 and the operations of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of investments in subsidiaries and amounts recoverable from subsidiaries (as described in note 5 of the standalone Ind AS financial statements)	
<p>The Company has significant investments in subsidiaries. As at March 31, 2020, the carrying value of Company's investments in subsidiaries amount to Rs. 62,235.35 lakhs.</p> <p>The management assesses at least annually the existence of impairment indicators for its investment in each subsidiary, and if impairment indicator exists, these investments are subject to an impairment test.</p> <p>Impairment indicators were identified by the management with respect to investments in subsidiaries and amounts recoverable from subsidiaries. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these investment and other receivables to their recoverable amount to determine whether an impairment loss was required to be recognised.</p> <p>For the purpose of the above impairment testing, recoverable amount has been determined by reference to the underlying expected cash flows from the underlying projects being undertaken by these subsidiaries.</p> <p>The determination of the recoverable amount of investments in subsidiaries and other receivables involved significant judgments due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments.</p> <p>Considering, that impairment assessment involves key assumptions and significant judgement, the same has been considered as key audit matter.</p>	<p>Our audit procedures related to this key audit matter included, amongst others:</p> <ul style="list-style-type: none"> • We assessed the compliance of Company's accounting policies for impairment of assets with Ind AS 36-'Impairment of Assets' and Ind As 109 'Financial Instruments'. • We understood, evaluated and tested the operating effectiveness of internal controls implemented by the Company relating to identification of impairment indicators (such as negative net worth) and determination of recoverable amount of investments and other receivables in subsidiaries. • We considered the objectivity, competence and independence of management's specialists involved in the determination of recoverable amount. • We assessed the impact of COVID-19 pandemic based on current economic and market conditions on management impairment assessment for its investments in subsidiaries and other receivables. • We assessed prospective financial information included in the long-term plans of such investments and long-term growth rates and discount rates. • We also evaluated potential changes in key drivers such as recent sale transactions of subsidiaries with buyers, to evaluate whether the inputs and assumptions used were suitable. • We compared the recoverable amount of the investment and other receivables to the carrying value in books. • We assessed the disclosures made in the Ind AS financial statements regarding such investment and other receivables.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider

whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting

policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters

in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section

- 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

UDIN: 20108044AAAADG8831

Place of Signature: Gurugram

Date: June 5, 2020

Annexure 1 referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Max Ventures and Industries Limited ('the Company')

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c. According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- ii. The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors including entities in which they are interested to which section 185 of the Companies Act apply and hence not commented upon. Further, as per information and explanation given to us by the management, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
 - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance, duty of excise and duty of customs are not applicable to the Company.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, duty of excise and duty of customs are not applicable to the Company.
 - c. According to the records of the Company, there are no dues of income-tax, value added tax, service tax, goods and service tax which have not been deposited on account of any dispute. The provisions relating to employees' state insurance, duty of excise, duty of custom, cess are not applicable to the Company.
- vii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of

loans or borrowing to a financial institution, bank or government or dues to debenture holders.

- viii. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of further public offer for the purposes for which they were raised. Company has not raised any money by way of term loans and debt instrument.
- ix. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no material fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- x. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xi. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as

required by the applicable accounting standards.

- xiii. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xiv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xv. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

UDIN: 20108044AAAADG8831

Place of Signature: Gurugram

Date: June 5, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF MAX VENTURES AND INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Max Ventures and Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable

to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes

those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind

AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

UDIN: 20108044AAAADG8831

Place of Signature: Gurugram

Date: June 5, 2020

Standalone Balance sheet as at March 31, 2020

(Rs. in Lakhs)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	524.70	78.10
Capital work in progress	3	-	366.22
Other intangible assets	3	1.98	4.24
Right of use assets	4	2,610.53	-
Financial assets			
(i) Investments	5	62,235.35	60,628.68
(ii) Loans	6(i)	31.56	0.07
(iii) Other bank balances	6(ii)	645.65	0.25
Deferred tax assets (net)	15	89.86	202.21
Non-Current tax assets	7	210.50	160.60
Other non-current assets	8	-	26.92
		66,350.13	61,467.29
Current assets			
Financial assets			
(i) Trade receivables	9(i)	570.46	743.90
(ii) Cash and cash equivalents	9(ii)	459.18	308.46
(iii) Bank balances other than (ii) above	9(iii)	3,224.02	11,151.32
(iv) Loans	9(iv)	18,847.91	10,592.50
(v) Other financial assets	9(v)	117.72	1,321.46
Other current assets	10	36.49	37.86
		23,255.78	24,155.50
TOTAL ASSETS		89,605.91	85,622.79
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(i)	14,662.41	14,660.08
Other equity	11(ii)	71,160.68	70,001.92
Total equity		85,823.09	84,662.00
Non-current liabilities			
Financial liabilities			
(i) Borrowings	12(i)	-	7.69
(ii) Lease liabilities	12(ii)	2,325.79	-
(iii) Other financial liabilities	12(iii)	14.99	11.96
Long term provisions	13	38.23	22.58
Other non-current liabilities	14	97.10	30.16
		2,476.11	72.39
Current liabilities			
Financial liabilities			
(i) Lease liabilities	16(i)	352.43	-
(ii) Trade payables	16(ii)		

(Rs. in Lakhs)

	Notes	As at March 31, 2020	As at March 31, 2019
(a) Total outstanding dues of micro enterprises and small enterprises		1.74	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		698.27	594.73
(iii) Other financial liabilities	16(iii)	103.67	171.64
Other current liabilities	17	43.94	50.77
Short term provisions	18	106.66	71.26
		1,306.71	888.40
TOTAL LIABILITIES		3,782.82	960.79
TOTAL EQUITY AND LIABILITIES		89,605.91	85,622.79
Summary of significant accounting policies	2		
Other notes on accounts	3-40		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

For and on behalf of the Board of Directors of Max Ventures and Industries Limited

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: June 5, 2020

Place : New Delhi

Date: June 5, 2020

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(Rs. in Lakhs)

	Notes	for the year ended March 31, 2020	for the year ended March 31, 2019
INCOME			
Revenue from operations	19A	2,965.84	2,563.65
Other income	19B	819.56	832.44
Total income		3,785.40	3,396.09
EXPENSES			
Employee benefits expense	20	855.46	742.42
Finance costs	21	300.65	3.37
Depreciation and amortisation expense	22	304.36	18.82
Other expenses	23	821.43	1,536.01
Total expenses		2,281.90	2,300.62
Profit before tax		1,503.50	1,095.47
Tax expenses	24		
- Current tax		377.03	229.60
- Deferred tax credit		(12.25)	(25.21)
Total tax expense		364.78	204.39
Profit after tax		1,138.72	891.08
Other comprehensive income (net of taxes)			
Items that will not to be reclassified to profit or loss:			
Re-measurement gains on defined benefit plans		3.69	1.26
Income tax effect		(1.07)	(0.37)
Other comprehensive income for the year (net of tax)	25	2.62	0.89
Total comprehensive income for the year, net of tax		1,141.34	891.97
Earnings per equity share (Nominal Value of share Rs.10/-)	26		
Basic (Rs.)		0.78	0.75
Diluted (Rs.)		0.78	0.75
Summary of significant accounting policies	2		
Other notes on accounts	3-40		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

For and on behalf of the Board of Directors of Max Ventures and Industries Limited

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Sahil Vachani

(Managing Director & Chief

Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: June 5, 2020

Place : New Delhi

Date: June 5, 2020

Standalone Statement of changes in equity

for the year ended March 31, 2020

a) Equity share capital

Particulars	Nos.	(Rs. in Lakhs)
Shares of Rs. 10/- each, issued, subscribed and fully paid		
As at April 1, 2018	72,648,105	7,264.81
Add: Equity share issued	73,753,787	7,375.38
Add: Shares issued for stock options exercised during the year	198,890	19.89
As at March 31, 2019	146,600,782	14,660.08
Add: Equity share issued	-	-
Add: Shares issued for stock options exercised during the year	23,280	2.33
As at March 31, 2020	146,624,062	14,662.41

b) Other equity

Particulars	(Rs. in Lakhs)				Total equity
	Capital reserve (Refer note 11(ii))	Securities premium account (Refer note 11(ii))	Employee stock options outstanding (Refer note 11(ii))	Retained earnings (Refer note 11(ii))	
As at April 1, 2018	13,042.52	12,875.83	20.91	6,000.78	31,940.04
Profit for the year	-	-	-	891.08	891.08
Other comprehensive income for the year	-	-	-	0.89	0.89
Premium on right issue of share capital	-	37,637.70	-	-	37,637.70
Exercise of share option under ESOP scheme	-	20.91	(20.91)	-	-
Premium on issue of employee stock options	-	-	36.92	-	36.92
Share issue expenses adjusted with Securities Premium	-	(504.71)	-	-	(504.71)
As at March 31, 2019	13,042.52	50,029.73	36.92	6,892.75	70,001.92
Profit for the year	-	-	-	1,138.72	1,138.72
Other comprehensive income for the year	-	-	-	2.62	2.62
Premium on issue of employee stock options	-	3.32	14.10	-	17.42
As at March 31, 2020	13,042.52	50,033.05	51.02	8,034.09	71,160.68
Summary of significant accounting policies	2				
Other notes on accounts	3-40				

The accompanying notes are integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

For and on behalf of the Board of Directors of Max Ventures and Industries Limited

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: June 5, 2020

Place : New Delhi

Date: June 5, 2020

Standalone Statement of Cash flow

for the year ended March 31, 2020

(Rs. in Lakhs)

	Note	for the year ended March 31, 2020	for the year ended March 31, 2019
Cash flow from operating activities			
Profit before tax		1,503.50	1,095.47
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	22	304.36	18.82
Re-measurement gains on defined benefit plans	25	3.69	1.26
Provision for doubtful advances		-	329.00
Employee stock option expense	20	14.10	36.91
Profit on sale of current investment	19	(260.82)	(332.21)
Fair value gain on financial instruments at fair value through profit or loss	19	-	213.03
Net loss on disposal of property plant and equipment		-	2.67
Unwinding of interest on zero coupon non-convertible debentures	18	(466.71)	(527.36)
Unwinding of discount on security deposit		(0.59)	(40.68)
Guarantee Fee		(20.18)	(22.66)
Finance costs (including fair value change in financial instruments)	21	298.19	3.37
Operating profit before working capital changes		1,375.54	777.62
Working capital adjustments:			
Decrease/(Increase) in trade receivables		173.20	(331.06)
Decrease/(Increase) in other financial assets		1,476.21	(835.60)
Increase in trade payables		25.95	87.11
Increase in provisions		65.62	27.10
Increase in other liabilities		85.28	126.84
Cash generated from operations		3,201.80	(147.99)
Income tax paid		(316.90)	(277.51)
Net cash flows from/ (used) in operating activities		2,884.90	(425.50)
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		-	24.23
Purchase of property, plant and equipment and including intangible assets		(258.36)	(453.42)
Redemption of non-convertible debenture by subsidiary		1,710.73	-
Investment in subsidiaries		(2,768.74)	(32,158.04)
Loan repaid by subsidiaries		18,992.40	1,715.00
Loan given to subsidiaries		(27,550.52)	(6,526.00)
Purchase of current investments in financial instruments		(21,810.00)	(2,830.00)
Proceeds from sale of current investment		22,070.82	7,562.19
Net movement in deposits		7,281.90	(11,151.32)
Net cash flows from/(used) in investing activities		(2,331.77)	(43,817.36)

(Rs. in Lakhs)

	Note	for the year ended March 31, 2020	for the year ended March 31, 2019
Cash flow from financing activities			
Proceeds from issuance of equity share capital including security premium		-	44,989.81
Share issue expenses		-	(504.71)
Proceeds from issuance of ESOP's including security premium		5.65	6.25
Lease liability- principle amount paid		(391.74)	-
Interest paid		(1.25)	(3.37)
Proceeds from long-term borrowings		-	28.79
Repayment of long-term borrowings		(15.07)	(22.43)
Net cash flows (used)/from financing activities		(402.41)	44,494.34
Net increase in cash and cash equivalents		150.72	251.48
Cash and cash equivalents at the beginning of the year		308.46	56.98
Cash and cash equivalents at year end		459.18	308.46

Components of cash and cash equivalents:-

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
Balances with banks:			
On current accounts		458.70	88.97
Cheques on hand		-	219.00
Cash on hand		0.48	0.49
		459.18	308.46
Summary of significant accounting policies	2		
Other notes on accounts	3-40		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

For and on behalf of the Board of Directors of Max Ventures and Industries Limited**Dinesh Kumar Mittal**

(Director)

DIN: 00040000

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: June 5, 2020

Place : New Delhi

Date: June 5, 2020

Significant accounting policies

1 Corporate Information

Max Ventures and Industries Limited (the Company) is a company registered under Companies Act, 2013 and incorporated on January 20, 2015. The Company is primarily engaged in the business of making business investments and providing shared services to the group companies.

The Company's shares got listed on National Stock Exchange and Bombay Stock Exchange as on June 22, 2016. Registered office of the Company is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab – 144533

The standalone financial statements were authorised for issue in accordance with a resolution by the Board of directors of the Company on June 5, 2020.

Significant accounting policies

2A Basis of preparation

These separate financial statement of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of division II of Schedule III to the Companies Act 2013 (Ind AS Compliant Schedule III), as applicable to these separate financial statement.

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities which are measured at fair value (refer accounting policy regarding financial instruments).

Financial Statement are presented in INR and all values are rounded to nearest Lakhs (INR 00,000) except when otherwise stated

2B Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realized within twelve months after the reporting period; or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is due to settled within twelve months after the reporting period; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Significant accounting policies

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemption of Ind AS 101 to continue carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT credit and VAT credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated

as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Assets	Useful lives estimated by the management (years)
Furniture and fixtures	10 Years
Office equipment	3 - 5 Years
Computers	3- 6 Years
Vehicles	3 - 8 Years
Leasehold improvements are amortised over the period of lease.	

c. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Significant accounting policies

Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of

the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed-off.

Intangible assets with finite useful life are amortized on a straight-line basis over their estimated useful life of 3-6 years.

d. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment

Significant accounting policies

calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In this case, the growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining economic life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a

revalued amount, in which case the reversal is treated as a revaluation increase.

e. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

The Company classified its financial assets in the following measurement categories:-

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets (other than equity in subsidiaries) are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Equity investment in subsidiaries are recognised at cost. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The difference between the transaction amount and amortised cost in case of interest free loan to subsidiaries based on expected repayment period is considered as deemed investment.

Subsequent measurement

Significant accounting policies

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) Debt instruments at amortized cost
- b) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (i) Business model test: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- (ii) Cash flow characteristics test: Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discount the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the company estimate the expected cash flow by considering all contractual terms of the financial instruments. The EIR

amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at Fair value through profit and loss

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity

Significant accounting policies

instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

Investment in Compound Financial Instruments issued by subsidiaries

Company considers issuance of Zero Coupon Non-Convertible Debentures by subsidiary as compound instrument comprising a loan with market terms and a capital injection and hence treat the difference between the cash paid and fair value on initial recognition as an addition to the investment in the subsidiary and presented separately as 'Equity component of Zero Coupon Non-Convertible Debentures under 'Non-Current Investments'. Equity Component is not subsequent remeasured.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
 - a) the Company has transferred the rights to receive cash flows from the financial assets or
 - b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through agreement, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure.

- Financial assets measured at amortised cost; e.g. Loans, Security deposits, trade receivable, bank balance, other financial assets etc;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);
- Financial guarantee contracts are which are not measured at fair value through profit or loss (FVTPL)

The Company follows "simplified approach" for recognition of impairment loss allowance

Significant accounting policies

on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for estimates. At every reporting date, the historical observed default rates are updated and changes in the estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analysed.

Reclassification of financial assets

The Company determines classification

of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the its operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value

Significant accounting policies

through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included

as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and

Significant accounting policies

there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

f. Investment in Subsidiaries

The investment in subsidiaries are carried at cost as per IND AS 27. Investment carried at cost is tested for impairment as per IND AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The following specific recognition criteria must also be met before revenue is recognized:

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from shared services because the receipt of consideration is conditional on successful completion of the contract. Upon completion of the contract and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section e) Financial instruments – initial recognition and subsequent measurement.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section e) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related services to the customer).

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Shared Service Income

Revenue from shared services are recognised by reference to stage of completion of contract. The Company collects service tax/GST on behalf of the government and, therefore it is not an economic benefit flowing to the Company and is thus excluded from revenue.

Gain on sale of investments

On disposal of an investment, the difference between the carrying amount and net disposal proceeds is recognised to the profit

Significant accounting policies

and loss statement.

Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend Income

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

h. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 and the income computation and disclosure standards (ICDS) enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized

outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets (including MAT credit) are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused

Significant accounting policies

tax losses can be utilized except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction

either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ value added tax/ GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes/ GST (Goods and Service Tax) paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

i. Borrowing costs

Borrowing cost includes interest expense as

Significant accounting policies

per effective interest rate [EIR]. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time that the asset is substantially ready for their intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Accounting policy upto March 31, 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Company as a lessee

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (d) Impairment of non-financial assets.

Significant accounting policies

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k. Provision and Contingent liabilities

Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be

Significant accounting policies

required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value (except where time value of money is material) and are determined based on the best estimate required to settle the obligation at the reporting date when discounting is used, the increase in provision due to passage of time is recognised as finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

I. Retirement and other employee benefits

Provident fund

The Company contributed to employee's provident fund benefits through a trust "Max Financial Services Limited Provident Fund Trust" managed by Max Financial Services Limited (erstwhile Max India Limited) whereby amounts determined

at a fixed percentage of basic salaries of the employees are deposited to the trust every month. The benefit vests upon commencement of the employment. The interest rate payable by the trust to the beneficiaries every year is notified by the government and the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company has obtained actuarial valuation to determine the shortfall, if any, as at the Balance Sheet date.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets).

The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

- a) Service cost comprising current service cost, past service cost, gain &

Significant accounting policies

loss on curtailments and non-routine settlements.

b) Net interest expenses or income

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the yearend. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit

obligations in the balance sheet.

Long term incentive plan

The Company has a long-term incentive plan for certain employees. The Company recognises benefit payable to employee as an expenditure, when an employee renders the related service on actual basis.

m. Share-based payments

Employees of the Company receive remuneration in the form of share-based payment transaction, whereby employees render services as a consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of

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the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model. This fair value

is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognized in employee benefits expense.

n. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

o. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equities shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year and the weighted average number of shares outstanding during the year adjusted for the effects of all potential equity shares.

p. Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). the Company's financial statements are presented in Indian rupee ('Rs.') which is also

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the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

q. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The

fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the restated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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- b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the restated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring and non-recurring fair value measurement measured at fair value.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 32)
- Quantitative disclosures of fair value measurement hierarchy (note 32)

- Financial instruments (including those carried at amortised cost) (note 32)

2C Changes in accounting policies and disclosures

New and amended Standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ended March 31, 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

a) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 01, 2019. Under this method, the right-of-use asset is recognized at the date of initial application. The right-of-use asset is

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measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application. The Appendix did not have an impact at transition on the financial statements of the Company.

Refer note 27 b

b) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to

consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Appendix did not have an impact on the financial statements of the Company.

2D Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Other disclosures relating to the Company's exposure to risks and uncertainties includes:

Capital-management Note 38

- Financial risk management objectives and policies Note 33

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

(a) Determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an

Significant accounting policies

option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset)

Refer to Note 27b for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Defined benefit plans

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 30.0

(b) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The Company use Net asset value for valuation of investment in mutual fund. Refer note 32

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related to fair valuation disclosures.

(c) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current

market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

(e) Share based payments

The Company initially measures the cost of cash settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognized in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share based payment transactions are disclosed in note 30.3

Notes forming part of the standalone financial statements

3. Property, plant and equipment (PPE) and Other Intangible assets

(Rs. in Lakhs)

	Office equipment	Furniture and fixture	Motor vehicles*	Computers and data processing units	Leasehold Improvement	Total	Capital Work-in-Progress	Software licences	Total
At deemed cost									
As at April 1, 2018	2.00	3.54	47.02	23.30	-	75.86	366.22	8.51	450.59
Additions	1.08	-	58.61	0.59	-	60.28	-	-	60.28
Disposals	-	-	30.28	-	-	30.28	-	-	30.28
As at March 31, 2019	3.08	3.54	75.35	23.89	-	105.86	366.22	8.51	541.15
Additions	6.49	68.03	6.53	35.03	390.93	507.01	24.71	-	531.72
Disposals	-	-	-	-	-	-	390.93	-	390.93
As at March 31, 2020	9.57	71.57	81.88	58.92	390.93	612.87	-	8.51	681.94
Depreciation									
As at April 1, 2018	0.60	0.30	6.70	6.98	-	14.58	-	2.01	16.59
Depreciation charge for the year	0.80	0.34	10.66	4.76	-	16.56	-	2.26	18.82
Disposals	-	-	3.38	-	-	3.38	-	-	3.38
As at March 31, 2019	1.40	0.64	13.98	11.74	-	27.76	-	4.27	38.79
Depreciation charge for the year	1.98	6.53	10.83	10.24	30.83	60.41	-	2.26	62.67
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2020	3.38	7.17	24.81	21.98	30.83	88.17	-	6.53	101.46
Net book value									
As at March 31, 2020	6.19	64.40	57.07	36.94	360.10	524.70	-	1.98	580.48
As at March 31, 2019	1.68	2.91	61.37	12.14	-	78.10	366.22	4.24	502.35

* Motor vehicles amounting to Nil (March 31, 2019 - Rs. 35.53 lakhs) are subject to charge against vehicle loan.

4. Right of use assets

(Rs. in Lakhs)

	Total
As at April 1, 2019	-
Addition	2,852.22
Depreciation	241.69
As at March 31, 2020	2,610.53

Refer note 27b for disclosure on lease liability, expense recognised in profit and loss etc.

Notes forming part of the standalone financial statements

5. Non-current financial assets- Investments

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
A. Investment carried at cost		
i) Investment in equity shares of subsidiary companies		
Max Speciality Films Limited	10,017.83	10,017.83
19,842,191 (March 31, 2019 - 19,842,191) Equity shares of Rs. 10 each fully paid up		
Max Estates Limited	7,791.00	6,800.00
77,910,000 (March 31, 2019 -68,000,000) Equity shares of Rs. 10 each fully paid up		
Max Asset Services Limited (formerly known as Max Learning Limited)	205.00	205.00
2,050,000 (March 31, 2019 - 2,050,000) Equity shares of Rs. 10 each fully paid up		
Max I Limited#	5.00	5.00
50,000 (March 31, 2019 - 50,000) Equity shares of Rs. 10 each fully paid up		
ii) Investment in debentures of subsidiary companies (in nature of equity)		
Max Estates Limited	36,964.00	35,187.00
36,964 (March 31, 2019 - 35,187) Zero Coupon Compulsory Convertible Debentures of Rs. 100,000 each fully paid up		
iii) Investment in subsidiaries arising on account of fair valuation of debentures given below market rate		
Max I Limited	2,667.68	3,002.62
Equity portion of 5,390 (March 31, 2019 - 7,100) Zero Coupon Non Convertible Debentures of Rs. 100,000 each fully paid up (net of deferred tax)		
iv) Additional investment in Wise Zone Builders Private Limited *	156.75	89.15
v) Additional investment in Max Estates Limited **	14.36	-
B. Investment carried at amortised cost		
i) Investment in debentures of subsidiary company		
Max I Limited	4,413.73	5,322.08
5,390 (March 31, 2019 - 7,100) Zero Coupon Non Convertible Debentures of Rs. 100,000 each fully paid up		
Total Investments	62,235.35	60,628.68
Aggregate book value of unquoted investments	62,235.35	60,628.68
Aggregate book value of quoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

#36,964 (March ,31,2019 - 35,187) Zero coupon compulsory convertible debentures remain outstanding as on the expiry of 24 months and 60 months from the date of their issue respectively and allotment shall be compulsory converted into 369,640,000 equity shares

* Guarantee has been given by the Company on behalf of its step down subsidiary, Wise Zone Builders Private Limited for loan of Rs. 8,600 lakhs (Sanction limit Rs. 11,700 lakhs) from ICICI Bank Limited (refer note 27)

** Guarantee has been given by the Company on behalf of its subsidiary, Max Estates Limited for loan of

Notes forming part of the standalone financial statements

Rs. 1,500 lakhs (Sanction limit Rs. 4,500 lakhs) from ICICI Bank Limited (refer note 27)

6. Other non-current financial assets

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
6(i) Loans (amortized cost) (unsecured considered good)		
Security deposits	31.56	0.07
	31.56	0.07
6(ii) Other bank balances		
Deposits with remaining maturity for more than 12 months	645.65	0.25
	645.65	0.25

7. Non-Current tax assets

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Advance tax and tds recoverable (net of provision for taxes)	210.50	160.60
	210.50	160.60

8. Other non-current assets (unsecured considered good)

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Capital advance	-	26.92
	-	26.92

9. Current financial assets

9(i) Trade receivables

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good		
Trade receivable from related parties	570.46	743.90
	570.46	743.90

Trade Receivables are non-interest bearing and have average credit period is 60 days. No trade or other receivable are due from directors or others officers of the Company either severally or jointly with any other person. The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Refer note 34(b)

Notes forming part of the standalone financial statements

9(ii) Cash and cash equivalents

Balances with banks:

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
- On current accounts	458.70	88.97
Cheques on hand	-	219.00
Cash on hand	0.48	0.49
	459.18	308.46

9(iii) Bank balances other than (ii) above

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Deposits with original maturity of less than three months and remaining maturity less than twelve months	3,224.02	11,151.32
	3,224.02	11,151.32

9(iv) Loans (unsecured and considered good, unless otherwise stated)

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
(Unsecured and considered good)		
Loans to related parties	18,847.89	10,289.77
Security deposits	0.02	302.73
(Unsecured and considered doubtful)		
Loans to related parties- credit impaired	1,062.00	1,062.00
Provision for doubtful loan	(1,062.00)	(1,062.00)
	18,847.91	10,592.50

* Loan given to related parties is repayable on demand and carries interest rate of 9.25%. Refer note 34(b)

9(v) Other financial assets (unsecured and considered good)

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Interest accrued on deposits with bank	38.50	272.75
Interest accrued on loans	20.05	942.61
Other receivables #	59.17	106.10
	117.72	1,321.46

Other receivables includes Rs. 59.17 lakhs (March 31, 2019 : Rs.106.10 lakhs) from related parties. Refer note 34 (b)

Notes forming part of the standalone financial statements

Break up of financial assets carried at amortised cost

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
i	Trade receivables	570.46	743.90
ii	Cash and cash equivalents	459.18	308.46
iii	Other bank balances (current and non current)	3,869.67	11,151.57
iv	Loans (current and non current)	18,879.47	10,592.57
		23,778.78	22,796.50

10. Other current assets (unsecured and considered good)

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
- related parties (refer note 34(b))	18.72	-
- others	0.88	9.67
Prepaid expenses	16.51	26.14
Balance with government authorities	0.38	2.05
	36.49	37.86

11 (i) Equity share capital

a) Authorized share capital

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
150,000,000 (March 31, 2019 - 150,000,000) equity shares of Rs.10/- each	15,000.00	15,000.00
	15,000.00	15,000.00
Issued, subscribed and fully paid-up		
146,624,062 (March 31, 2019 - 14,66,00,782) equity shares of Rs.10/- each fully paid up	14,662.41	14,660.08
Total issued, subscribed and fully paid-up share capital	14,662.41	14,660.08

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	March 31, 2020		March 31, 2019	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
At the beginning of the year	146,600,782	14,660.08	72,648,105	7,264.81
Add: Shares issued for stock options exercised (Refer note no 30.3)	23,280	2.33	198,890	19.89
Add: Shares issued during the year (Refer note no. 35)	-	-	73,753,787	7,375.38
At the end of the year	146,624,062	14,662.41	146,600,782	14,660.08

Notes forming part of the standalone financial statements

c) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2020		March 31, 2019	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up				
Max Ventures Investment Holdings Private Limited.	49,337,874	33.65%	49,337,874	33.65%
New York Life International Holdings Limited	31,282,950	21.34%	31,282,950	21.34%
Siva Enterprises Private Limited	19,146,045	13.06%	16,728,653	11.41%

e) Aggregate number of Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

During the Financial year 2015-16, existing shareholders of Max Financial Services Limited (erstwhile Max India Limited) were allotted shares in the ratio of 1:5 in Max Ventures and Industries Limited i.e. 53,300,555 equity shares under the scheme of demerger without any consideration in cash. The Company issued 96,245 Equity shares on exercise of options granted under the Employee Stock Option Plan 2006 of Max Financial Services Limited under the Corporate Restructuring plan.

The Company has issued 23,280 equity shares during the year ended March 31, 2020 and 198,890 Equity shares during the year ended March 31, 2019 on exercise of options granted under the Employee Stock Option Plan 2016 of Max Ventures and Industries Limited, for details refer note 30.3.

11(ii) Other equity

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Capital reserve (refer note a below)	13,042.52	13,042.52
Securities premium account (refer note b below)	50,033.05	50,029.73
Employee stock options outstanding (refer note c below)	51.02	36.92
Retained earnings (refer note d below)	8,034.09	6,892.75
	71,160.68	70,001.92

Notes forming part of the standalone financial statements

Notes:

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
a) Capital reserve		
Balance as at beginning of the year/period	13,042.52	13,042.52
	13,042.52	13,042.52
b) Securities premium account		
At the beginning of the year	50,029.73	12,875.83
Add: premium on Rights issue of equity shares (refer note 36)	-	37,614.43
Add: premium on issue of employee stock options	3.32	23.27
Add: transferred from employee stock options outstanding	-	20.91
Less: share issue expenses	-	(504.71)
	50,033.05	50,029.73
c) Employee stock options outstanding		
At the beginning of the year	36.92	20.91
Add: expenses recognized during the year	14.10	36.92
Less: transferred to securities premium on exercise of stock options	-	20.91
	51.02	36.92
d) Retained earnings		
At the beginning of the year	6,892.75	6,000.78
Profit for the year	1,138.72	891.08
Other comprehensive income for the year (net of tax)	2.62	0.89
	8,034.09	6,892.75

Nature and purpose of reserves

a) Capital reserve

The company recognises profit or loss on purchase, sale issue or cancellation of the Company's own equity instruments to Capital Reserve

b) Securities premium account

Securities Premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with provisions of the Companies Act, 2013.

c) Employee stock options outstanding

The employee stock options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee Stock Option plan

Notes forming part of the standalone financial statements

12 Non current financial liabilities

		(Rs. in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
12(i) Borrowings			
	Vehicle loans (secured)	-	15.07
		-	15.07
	Less: Amount disclosed under "other current financial liabilities" [refer note 16(iii)]	-	7.38
		-	7.69
	Aggregate Secured loans	-	15.07
	Aggregate Unsecured loans	-	-
12(ii) Lease liabilities			
	Lease liability (refer note 27b)	2,325.79	-
		2,325.79	-
12(iii) Other financial liabilities			
	Security deposits	14.99	11.96
		14.99	11.96

13. Long term provision

		(Rs. in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
Provision for employee benefits			
	Provision for gratuity (refer note 30.0)	38.23	22.58
		38.23	22.58

14. Other non-current liabilities

		(Rs. in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
	Deferred guarantee income	97.10	30.16
		97.10	30.16

15. Deferred tax assets (net)

		(Rs. in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
	Effect of expenditure debited to the statement of profit and loss in the current year/earlier years but allowed for tax purposes in following years	89.13	75.16
	MAT Credit entitlement	4.29	127.82
		93.42	202.98
	Less: Differences in block of fixed assets as per tax books and financial books	3.56	0.77
		3.56	0.77
	Deferred Tax assets (Net)	89.86	202.21

Notes forming part of the standalone financial statements

16. Current financial liabilities

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
16(i)	Lease liabilities		
	Lease liability (refer note 27b)	352.43	-
		352.43	-
16(ii)	Trade payables		
	Total outstanding dues of micro and small enterprises*	1.74	-
	Total outstanding dues of creditors other than micro and small enterprises	698.27	594.73
		700.01	594.73

Trade payables are non interest bearing and generally have credit term of 60-90 days. Trade payables include due to related parties Rs. 224.17 lakhs (March 31, 2019 - Rs.211.60 lakhs). Refer note 34(b)

*Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
	The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	1.74	Nil
	The interest due on unpaid principal amount remaining as at the end of each accounting year.	Nil	Nil
	The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	Nil	Nil
16(iii)	Other financial liabilities		
	Current maturity of long term borrowings (refer note 12)	-	7.38
	Security deposit received	83.90	-
	Capital creditors	19.77	164.27
		103.67	171.64

Notes forming part of the standalone financial statements

17. Other current liabilities

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Deferred guarantee	10.11	15.28
Statutory dues	33.83	35.49
	43.94	50.77

18. Short term provision

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Provision for compensated leaves	106.16	56.42
- Provision for gratuity (refer note 30.0)	0.50	0.27
Provision for taxation (net of advances and tds)	-	14.57
	106.66	71.26

19A. Revenue from operations

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Revenue from contract with customers		
(a) Income from rendering services		
Income from shared services (Refer note 34(a))	1,499.97	1,232.30
Sub-total (a)	1,499.97	1,232.30
(b) Income from other operating activities		
Interest income on		
- loans to subsidiary companies (Refer note 34(a))	999.16	803.99
- zero coupon non-convertible debentures (Refer note 34(a))	466.71	527.36
Sub-total (b)	1,465.87	1,331.35
Total (a+b)	2,965.84	2,563.65

1. The performance obligation is satisfied over-time and payment is generally due upon completion of service.
2. Refer note 9(i) for contract balances (trade receivables)

Notes forming part of the standalone financial statements

19B. Other income

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Interest income on		
- on security deposits	0.59	40.68
- on fixed deposits	537.93	646.80
Gain on mutual fund investments	260.82	332.21
Fair value gain on financial instruments at fair value through profit or loss	-	(213.03)
Amortisation of guarantee fees	20.18	22.66
Others	0.04	3.12
	819.56	832.44

20. Employee benefits expense

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Salaries, wages and bonus	783.94	644.63
Contribution to provident and other funds	29.56	26.32
Employee stock option scheme	14.10	36.91
Gratuity expense (refer note 30.0)	13.14	10.18
Staff welfare expenses	14.72	24.38
	855.46	742.42

21. Finance costs

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Interest expense		
- on debt and borrowings	0.63	2.26
- on income tax	2.46	-
- on lease liabilities	296.94	-
Bank charges	0.62	1.11
	300.65	3.37

22. Depreciation and amortization expense

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Depreciation of tangible assets (refer note 3)	60.41	16.56
Depreciation on right to use asset (refer note 4)	241.69	-
Amortization of intangible assets (refer note 3)	2.26	2.26
	304.36	18.82

Notes forming part of the standalone financial statements

23. Other expenses

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Rent	29.87	217.39
Insurance	10.52	15.38
Rates and taxes	29.66	43.16
Shared service expenses	153.00	155.00
Repairs and maintenance building	127.84	90.30
Travelling and conveyance	90.60	55.57
Legal and professional fees (refer note a below)	217.84	339.15
Provision for doubtful loan and interest receivable	-	329.00
Interest receivable written off	-	92.88
Directors' sitting fees	80.00	69.00
Printing and stationery	10.02	27.55
CSR expenses (refer note b below)	13.22	5.07
Net loss on sale/disposal of property, plant and equipment	-	2.67
Electricity	10.67	37.17
Miscellaneous expenses	48.19	56.72
	821.43	1,536.01

Note

(a) Payment to auditor (included in legal and professional fee)

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
As auditor:		
Audit fee	27.50	27.04
Other services (certification fees)	5.00	2.97
Reimbursement of expenses	1.47	0.71
	33.98	30.71

(b) Details of CSR expenditure

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Gross amount required to be spent by the Company during the year	13.22	4.07
Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	13.22	4.07

Notes forming part of the standalone financial statements

24 Income Tax

The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are:

(Rs. in Lakhs)		
Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
(a) Statement of profit and loss :		
Current income tax :		
Current tax	372.51	167.32
Adjustment of current tax related to earlier years	4.52	62.28
Sub total (a)	377.03	229.60
Deferred tax :		
Relating to origination and reversal of temporary differences	(53.26)	(25.21)
Adjustment of deferred tax related to earlier years	41.01	-
Sub total (b)	(12.25)	(25.21)
Income tax expense charged in the statement of profit and loss (a+b)	364.78	204.39
(b) OCI section :		
Deferred tax relating to re-measurement gains on defined benefit plans	(1.07)	(0.37)
Income tax charged in other comprehensive income	(1.07)	(0.37)

- (c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

(Rs. in Lakhs)		
Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
Accounting profit/(loss) before tax	1,503.50	1,095.47
Accounting profit/(loss) before income tax	1,503.50	1,095.47
At India's statutory income tax rate of 29.12 % (March 31, 2019: 29.12 %)	437.82	319.00
Non-Taxable Income for tax purposes:		
Unwinding of interest on zero coupon non-convertible debentures	(135.91)	(153.57)
Guarantee Fees	(5.88)	(6.60)
Adjustment of earlier year taxes	4.52	(62.28)
Non-deductible expenses for tax purposes:		
Non deductible tax expense	-	95.80
Impact of decrease in tax rate	10.11	-
Others	53.39	12.03
At the effective income tax rate	364.06	204.39
Income tax expense reported in the statement of profit and loss	364.78	204.39
Total tax expense	364.78	204.39

Notes forming part of the standalone financial statements

Deferred tax relates to the following:

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities		
Accelerated depreciation for tax purposes	3.56	0.77
Difference in book base and tax base in investments	-	-
Gross deferred tax liabilities (a)	3.56	0.77
Deferred tax assets		
Effect of expenditure debited to the statement of Profit and Loss in the current year/earlier years but allowed for tax purposes in following years	89.13	75.16
Others	-	-
Gross deferred tax assets (b)	89.13	75.16
MAT Credit (c)	4.29	127.82
Deferred tax assets (net) (a - b - c)	(89.86)	(202.21)

Reconciliation of deferred tax liabilities (net):

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Opening balance as of 1st April	(202.21)	(136.35)
Tax expense during the period recognised in the statement of profit or loss	(53.26)	(25.21)
Adjustment of deferred tax related to earlier years	41.01	-
Tax expense during the period recognised in OCI	1.07	0.37
MAT credit utilised/(availed)	123.53	(41.02)
Closing balance	(89.86)	(202.21)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

25. Components of Other comprehensive income

		(Rs. in Lakhs)	
		for the year ended March 31, 2020	for the year ended March 31, 2019
OCI - gratuity	Re-measurement losses on defined benefit plans (refer note 30.0)	3.69	1.26
	Income tax effect	(1.07)	(0.37)
		2.62	0.89

Notes forming part of the standalone financial statements

26. Earnings Per Share

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Basic EPS		
Profit after tax (Rs. in Lakhs)	1,138.72	891.08
Net profit for calculation of basic EPS	1,138.72	891.08
Weighted average number of equity shares outstanding during the year (Nos.)	146,608,510	118,737,904
Basic earnings per share (Rs.)	0.78	0.75
Dilutive EPS		
Profit after tax (Rs. in Lakhs)	1,138.72	891.08
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	146,802,078	118,949,139
Anti Diluted/Diluted earnings per share (Rs.)	0.78	0.75
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)		
Weighted average number of equity shares outstanding during the period/year (Nos.)	146,608,510	118,737,904
Add: ESOP/Warrants	193,568	211,235
	146,802,078	118,949,139

27 Commitments and Contingencies

a Financial guarantee

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(i) Guarantees to Banks against credit facilities extended to group companies	16,200.00	1,500.00
(ii) Bank guarantee	-	224.95

- a) Guarantee of 100% bank loan of Max Estates Limited, wholly owned subsidiary, to the maximum amount of Rs. 4,500 lakhs (March 31, 2019 - Nil) from ICICI Bank Limited. Upto March 31, 2020, Max Estates Limited has drawn Rs. 1,500 lakhs (March 31, 2019 - Nil).
- b) Guarantee of 100% of bank loan of Wise Zone Builders Private Limited, step down subsidiary, to the maximum amount of Rs. 11,700 lakhs (March 31, 2019 - Rs. 15,000 lakhs) from ICICI Bank Limited (March 31, 2019 - Axis Bank Limited). Upto March 31, 2020, Wise Zone Builders Private Limited has drawn Rs. 8,600 lakhs (March 31, 2019 - Rs.11,850 Lakhs) from ICICI Bank Limited (March 31, 2019 - Axis Bank Limited).

b Company as lessee

The Company has lease contracts for buildings from related parties. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning or sub leasing the leased assets.

Notes forming part of the standalone financial statements

The carrying amounts of right-of-use assets recognised and the movements during the year:

(Rs. in Lakhs)

Particulars	Building	Total
As at April 01, 2019	-	-
Additions	2,852.22	2,852.22
Reclassified from prepaid expenses	-	-
Depreciation expense	241.69	241.69
As at March 31, 2020	2,610.53	2,610.53

The carrying amounts of lease liabilities and the movements during the year:

(Rs. in Lakhs)

Particulars	Building	Total
As at April 01, 2019	-	-
Additions	2,769.29	2,769.29
Accretion of interest	296.94	296.94
Payments	(388.01)	(388.01)
As at March 31, 2020	2,678.22	2,678.22
Current lease liabilities	352.43	
Non-current lease liabilities	2,325.79	
Total	2,678.22	

The details regarding the maturity analysis of lease liabilities as at March 31, 2020 on an undiscounted basis:

(Rs. in Lakhs)

Particulars	Building	Total
Within one year	352.43	352.43
After one year but not more than five years	1,544.04	1,544.04
More than five years	3,025.08	3,025.08
Total	4,921.55	4,921.55

Considering the lease term of the leases, the effective interest rate for lease liabilities is 11%.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss:

(Rs. in Lakhs)

Particulars	Building	Total
Depreciation expense of right-of-use assets	241.69	241.69
Interest expense on lease liabilities	296.94	296.94
Total amount recognised in profit or loss	538.63	538.63

Notes forming part of the standalone financial statements

28 Estimated amount of contracts remaining to be executed on capital account and not provided for- Nil (March 31, 2019- Rs. 137.35 lakhs)

29 Investment in subsidiaries

- (a) These financial statement are separate financial statements prepared in accordance with Ind AS-27" Separate Financial Statements".
- (b) The Company's investments in subsidiaries are as under:

Name of the Subsidiary	Country of incorporation	Portion of ownership interest as at March 31, 2020	Portion of ownership interest as at March 31, 2019	Method used to account for the investment
Max Speciality Films Limited	India	51%	51%	At transition date at deemed cost and subsequently at cost
Max Estates Limited	India	100%	100%	At transition date at deemed cost and subsequently at cost
Max Asset Services Limited (formerly known as Max Learning Limited)	India	100%	100%	At transition date at deemed cost and subsequently at cost
Max I. Limited	India	100%	100%	At transition date at deemed cost and subsequently at cost

30. Gratuity (Unfunded)

The Company has a defined benefit gratuity plan. Under Gratuity Plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Description of Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

- Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Notes forming part of the standalone financial statements

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
a) Changes in present value of defined benefit obligation are as follows		
Defined benefit obligation at the beginning of the year	22.85	16.71
Interest cost	1.75	1.30
Current service cost	11.39	8.88
Benefit paid	-	(4.26)
Acquisition adjustment	6.42	1.47
Remeasurement of gain/(loss) in other comprehensive income	(3.69)	(1.26)
Defined benefit obligation at year end	38.73	22.85
b) Net defined asset/(liability) recognised in the balance sheet.		
Present value of defined benefit obligation	38.73	22.85
Amount recognized in balance sheet- asset / (liability)	(38.73)	(22.85)
Current	0.50	0.27
Non current	38.23	22.58
	38.73	22.85
c) Net defined benefit expense (recognized in the statement of profit and loss for the year)		
Current service cost	11.39	8.88
Interest cost on benefit obligation	1.75	1.30
Net defined benefit expense debited to statement of profit and loss	13.14	10.18
d) Other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	0.02	-
Actuarial changes arising from changes in financial assumptions	5.04	0.53
Actuarial changes arising from changes in experience adjustments	(8.75)	(1.79)
	(3.69)	(1.26)
e) Principal assumptions used in determining defined benefit obligation		
Discount rate	6.76%	7.66%
Future Salary Increases	10.00%	10.00%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
f) Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<u>Discount rate</u>		
Increase by 0.50%	(3.02)	(1.89)
Decrease by 0.50%	3.33	2.10

Notes forming part of the standalone financial statements

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
<u>Salary growth rate</u>		
Increase by 0.50%	1.02	0.69
Decrease by 0.50%	(0.93)	(0.72)
g) The following payments are expected contributions to the defined benefit plan in future years		
Within the next 12 months (next annual reporting period)	0.50	0.27
Between 2 and 5 years	1.89	1.06
Beyond 5 Years	36.34	21.52

- h) The average duration of the defined benefit plan obligation at the end of the reporting period is 20 Years (March 31, 2019 : 22 years)
- i) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
- j) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- k) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Notes forming part of the standalone financial statements

30.1 Leave Encashment (unfunded)

The Company recognises the leave encashment expenses in the statement of profit and loss based on actuarial valuation

The expenses recognised in the statement of profit & loss and the Leave encashment liability at the beginning and at the end of the year

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Liability at the beginning of the year	56.42	36.34
Provided during the year	49.74	20.08
Liability at the end of the year	106.16	56.42

30.3 Employee Stock Option Plan

Employee Stock Option Plan – 2006 ("the 2006 Plan"):

Pursuant to the Scheme of Demerger, with respect to the employee's stock options granted by the De-Merged company i.e. Max Financial Services Limited (MFS) to its employees (irrespective of whether they continue to be employees of MFS or become employees of the Company) shall be allotted one stock option by the Company under the new ESOP scheme for every five stock option held in MFS. Accordingly, ESOP outstanding as on the effective date in MFS shall be allocated between the demerged company and resulting companies. Accordingly, 500,712 stock options were granted to the employees of MFSL and outstanding as on Effective date i.e. January 15, 2016 are eligible for stock options under new ESOP scheme on similar terms and conditions. Further, the Nomination and Remuneration Committee, in its meeting held on March 23, 2018, granted 193,570 stock options to certain employees effective from April 1, 2018 under the 2006 Plan.

The details of activity under the Scheme are summarized below:

Particulars	March 31, 2020		March 31, 2019	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	216,850	62.77	222,170	21.97
Option grant during the year	-	-	193,570	67.40
Forfeited during the year	-	-	-	-
Exercised during the year	23,280	24.27	198,890	21.70
Outstanding at the end	193,570	67.40	216,850	62.77
Exercisable at the end	82,890	67.40	1,130	10.00

For options exercised during the year, the weighted average share price at the exercise date was Rs.24.27 per share (March 31, 2019: Rs 21.70) per share.

Notes forming part of the standalone financial statements

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2020 are as follows:

Date of grant	March 31, 2020		March 31, 2019	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
21-Jan-16	-	-	23,280	0.75
01-04-2018 (Grant Type I)	110,205	2.50	110,205	3.50
01-04-2018 (Grant Type II)	83,365	3.00	83,365	4.00

The Company has constituted an Employee Stock Option Plan - 2016 which have been approved by the Board in the meeting held on 9th August 2016 and by shareholders of the Company in its annual general meeting held on September 27, 2016 based on similar terms and conditions to the relevant ESOP plan of MFSL. During the year ended March 31, 2019, 23,280 (March 31, 2019 - 198,890) nos of stock options were allotted to the aforesaid option holders by the Company. The 2016 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees of the Company. Further, the Company extended the ESOP plan to directors and employees of its subsidiaries by obtaining approval of the shareholders in its annual general meeting held on September 24, 2019. The 2016 Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors.

The 2016 Plan gives an option to the employee to purchase the share at a price determined by Nomination and Remuneration committee (NRC) subject to minimum par value of shares (Rs. 10/-). The Company has valued Employee Stock Option outstanding as at year end presuming all the employees will exercise their option in favor of cash settlement or equity settlement based on trend. No options were granted / vested / exercised during the year.

30.4 Provident Fund

The Company is participating in a provident fund trust "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its affiliates, which is managed by Max Financial Services Limited. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per Ind AS-19.

The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Company.

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation for "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max Financial Services Limited and its affiliates based on assumptions provided below.

Notes forming part of the standalone financial statements

The details of fund and plan asset position as at March 31, 2020 as per the actuarial valuation of active members are as follows:

	(in INR lakhs)	
	March 31, 2020	March 31, 2019
Plan assets at year end at fair value	429.23	176.00
Present value of defined benefit obligation at period/year end	425.57	172.31
Surplus as per actuarial certificate	3.66	3.69
Shortfall recognized in balance sheet	-	-
Active members as at period/year end (Nos)	10	9

Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

	March 31, 2020	March 31, 2019
Discount rate	5.45%	6.76%
Yield on existing funds	8.51%	8.65%
Expected guaranteed interest rate	8.50%	8.65%

Contribution to Defined benefit Plan, recognized as expense for the year is as under:

	March 31, 2020	March 31, 2019
Employer's Contribution towards Provident Fund (PF)	29.56	26.32
	29.56	26.32

Segment information

As the Company's business activity primarily falls within a single business and geographical segment, thus there are no additional disclosures to be provided under Ind AS 108 - "Operating Segment". The management considers that having investments in various subsidiaries and providing shared services to group companies constitutes single business segment, since the risk and reward from these services are not different from one another. The Company has 3 major customers contributing to 10% or more of total amount of revenue.

Non - current operating assets

The company has non- current operating assets within India. Hence, separate figures for domestic as well as overseas market are not required to be furnished.

A. Fair value of Financial instruments

The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value are as follows:

Notes forming part of the standalone financial statements

Category	(Rs. in Lakhs)			
	Carrying value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1) Financial asset at amortized cost				
Non-Current				
Investments (refer note 5)	4,584.84	5,411.23	4,584.84	5,411.23
Loans (refer note 6 (i))	31.56	0.07	31.56	0.07
Other bank balances (refer note 6 (i))	645.65	0.25	645.65	0.25
Current				
Loans (refer note 9 (iv))	18,847.91	10,592.50	18,847.91	10,592.50
Other financial assets (refer note 9 (v))	117.72	1,321.46	117.72	1,321.46
2) Financial liabilities at amortized cost				
Non-Current				
Borrowings (refer note 12)	-	7.69	-	7.69
Current				
Other financial liabilities (refer note 16 (iii))	103.67	171.64	103.67	171.64

Investment in equity shares of subsidiaries are measured at cost as per Ind AS 27- "Separate Financial Statements" and are not required to be disclosed here.

The management assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long Term Fixed-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of non - current investment, loans taken, other financial assets and other financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable inputs in the model, of which the significant observable inputs is the market rate of interest of 9.5%-11%. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

Notes forming part of the standalone financial statements

B. Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

- (i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2020

(Rs. in Lakhs)

Particulars	As at March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Non-Current				
Investments (refer note 5)	4,584.84	-	4,584.84	-
Loans (refer note 6(i))	31.56	-	31.56	-
Current				
Loans (refer note 9 (iii))	18,847.91	-	18,847.91	-
Other financial assets (refer note 9 (v))	117.72	-	117.72	-

- (ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2019

(Rs. in Lakhs)

Particulars	As at March 31, 2019	Fair value		
		Level 1	Level 2	Level 3
Non-Current				
Investments (refer note 5)	5,411.23	-	5,411.23	-
Loans (refer note 6(i))	0.07	-	0.07	-
Current				
Loans (refer note 9 (iii))	10,592.50	-	10,592.50	-
Other financial assets (refer note 9 (v))	1,321.46	-	1,321.46	-
Current investments (refer note 9 (i))	-	-	-	-

- (iii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2020

(Rs. in Lakhs)

Particulars	As at March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Non-Current				
Security deposits (refer note 12)	14.99	-	14.99	-
Current				
Other financial liabilities (refer note 16 (iii))	103.67	-	103.67	-

Notes forming part of the standalone financial statements

- (iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2019

(Rs. in Lakhs)				
Particulars	As at March 31, 2019	Fair value		
		Level 1	Level 2	Level 3
Non-Current				
Borrowings (refer note 12)	7.69	-	7.69	-
Security deposits (refer note 12)	11.96	-	11.96	-
Current				
Other financial liabilities (refer note 16(iii))	171.64	-	171.64	-

33 Financial risk management objectives and policies

The Company has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Corporate Finance department, evaluates financial risks in close co-operation with the various stakeholders. The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups and Committees.

a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment.

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2019 and March 31, 2020 based on contractual undiscounted payments :-

(Rs. in Lakhs)				
March 31, 2019	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	7.38	7.69	-	15.07
Trade payable	594.73	-	-	594.73
Other financial liabilities	164.26	-	-	164.26
Security Deposit	-	11.96	-	11.96
March 31, 2020				
Trade payable	700.01	-	-	700.01
Other financial liabilities	103.67	-	-	103.67
Security Deposit	-	14.99	-	14.99

Notes forming part of the standalone financial statements

Reconciliation of Interest bearing borrowings

(Rs. in Lakhs)

	Schedule no	As at March 31, 2020	As at March 31, 2019
Non-Current borrowings	12	-	7.69
Current borrowings	16(iii)	-	7.38
		-	15.07

The non - current investment, loans taken, other financial assets and other financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable inputs in the model, of which the significant observable inputs is the market rate of interest of 9.5% to 11%. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

Reconciliation of other financial liability

(Rs. in Lakhs)

	Schedule no	As at March 31, 2020	As at March 31, 2019
Other financial liabilities	16(iii)	103.67	171.64
Less: Current maturities of long term borrowings	16(iii)	-	(7.38)
		103.67	164.27

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk including deposits with banks, foreign exchange transactions and other financial assets.

(i) Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management team assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Outstanding customer receivables are regularly monitored . An impairment analysis is performed at each reporting date on group\category basis. The calculation is based on exchange losses historical data and available facts as on date of evaluation. The Company evaluates the concentration of risk with respect to trade receivables as low, as its receivables are from its related parties, therefore it is not exposed to any risk.

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on

Notes forming part of the standalone financial statements

regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts as illustrated in note 5,6 and 9.

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2020 & March 31, 2019. Company is not exposed to interest risk and price risk at year end since there are no investments in mutual funds and interest fixed instruments at year end.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue, expense or capital expenditure is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods in foreign currency. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The Company don't have any material foreign currency risk as at March 31, 2020. As on March 31, 2020, Company have unhedged foreign currency exposures of trade payable of Rs. 8.31 lakhs. 1% decrease or increase in value of foreign exchange will bring a gain or loss of Rs. 8310.

Notes forming part of the standalone financial statements

34 Related party disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Subsidiary companies	Max Speciality Films Limited
	Max Estates Limited
	Max I. Limited
	Max Asset Services Limited (formerly known as Max Learning Limited)
Step down subsidiary	Wise Zone Builders Private Limited
	Pharmax Corporation Limited
	Northern Propmart Limited
Names of other related parties with whom transactions have taken place during the year/period	
Key management personnel	Mr. Sahil Vachani (Managing Director)
	Mr. Analjit Singh (Director)
	Mr. Nitin Kumar Kansal (Chief Financial Officer)
	Mr. Gopalakrishnan Ramachandran (Company Secretary) upto February 25, 2019
	Mr. Mohit Talwar
	Mr. K. Narasimha Murthy
	Mr. Dinesh Kumar Mittal
	Mr. Niten Malhan (w.e.f. November 8, 2019)
	Ms. Sujata Keshavan Guha (upto July 24, 2018)
	Mr. Ashok Brijmohan Kacker
	Ms. Gauri Padmanabhan (w.e.f. November 26, 2018)
Relatives of Key Management personnel	Mr. Veer Singh (Son of Mr. Analjit Singh - Director)
Entities controlled or jointly controlled by person or entities where person has significantly influence	Max Ventures Private Limited
	Piveta Estates Private Limited
	Siva Realty Ventures Private Limited
	New Delhi House Services Limited
	Vana Enterprises Limited
	Four Season Foundation
	Lake View Enterprises
	Max Life Insurance Company Limited
	Max Healthcare Institute Limited
	Siva Enterprises Private Limited
	Pharmax Corporation Limited
	Max India Limited
	SKA Diagnostic Private Limited
	Antara Purukul Senior Living Limited
	Riga Foods LLP
	Max Financial Services Limited
	Max UK Limited
Employee benefit Trust	Max Financial Services Limited Employees' Provident Fund Trust

Notes forming part of the standalone financial statements

34(a) Details of transactions and balance outstandings with related parties

S.No	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
1	Reimbursement of expenses (Received from)	Max Speciality Films Limited	0.13	1.87
		Max Estates Limited	62.86	8.38
		Max Asset Services Limited	59.88	
		Max I. Limited	127.90	53.65
		Max Ventures Private Limited	0.72	0.19
		Wise Zone Builders Private Limited	9.90	0.25
		Northern Propmart Solutions Limited	0.42	-
		Pharmax Corporation Limited	0.95	-
		Total	262.76	64.34
2	Reimbursement of expenses (Paid to)	Max Life Insurance Company	1.23	1.88
		Max Asset Services Limited	9.09	-
		Riga Foods LLP	-	3.44
		Antara Purukul Senior Living Limited	0.09	0.45
		Total	10.41	5.77
3	Shared Services rendered (to)	Max Speciality Films Limited	719.59	493.34
		Max Estates Limited	266.93	292.85
		Max Asset Services Limited	4.53	0.00
		Max I. Limited	9.08	16.74
		Max Ventures Private Limited	40.00	50.47
		Piveta Estates Private Limited	-	3.74
		Four Season Foundation	-	1.10
		Siva Realty Ventures Private Limited	-	-
		Max Financial Services Limited	-	9.41
		Max India Limited	33.04	46.24
		Max India Floundation	-	25.55
		Wise Zone Builders Private Limited	266.93	292.84
		Antara Senior Living Limited	159.88	-
		Total	1,499.97	1,232.30
4	Shared services charges (paid to)	Max Financial Services Limited	153.00	155.00
		Total	153.00	155.00
5	Unwinding of interest on zero coupon non-convertible debentures	Max I. Limited	466.71	527.36
		Total	466.71	527.36
6	Interest received (from)	Max Speciality Films Limited	5.95	-
		Max Estates Limited	956.25	676.95
		Max I. Limited	22.12	37.93
		Max Asset Services Limited	14.84	89.11
		Total	999.16	803.99

Notes forming part of the standalone financial statements

S.No	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
7	Repair & Maintenance	New Delhi House Services Limited	57.76	41.75
		Max Assets Services Limited	42.45	-
		Total	100.22	41.75
8	Travelling and conveyance	Max Ventures Private Limited	0.60	0.53
		Total	0.60	0.53
9	Legal and professional	Max India Limited	12.80	-
		Max UK Limited	0.74	6.08
		Total	13.54	6.08
10	Rent expenses (paid to)	Max Life Insurance Company Limited	173.48	-
		Wise Zone Builders Private Limited	152.03	-
		SKA diagnostics	29.17	-
		Total	354.67	-
11	Purchase of Tangible Assets	Max Ventures Investment Holdings P. Ltd.	6.53	-
		Max Estates Limited	-	6.58
		Max Asset Services Limited	-	13.00
		Total	6.53	19.58
12	Business Promotion expenses	Vana Enterprises Limited	9.80	-
		Total	9.80	-
13	Contribution to Provident Fund Trust	Max Financial services Limited Employees' Provident Fund Trust	54.78	47.82
		Total	54.78	47.82
14	Key managerial remuneration - Short term employment benefits	Sahil Vachani	279.20	239.76
		Nitin Kumar Kansal	103.57	86.35
		Gopalkrishnan Ramachandran	-	55.37
		Saket Gupta	31.45	-
		Total	414.22	381.48
15	Key managerial remuneration - Post employment benefits*	Sahil Vachani	7.40	6.68
		Nitin Kumar Kansal	5.02	4.65
		Gopalkrishnan Ramachandran	-	1.92
		Saket Gupta	1.41	-
		Total	13.83	13.25
16	Sitting Fees to Directors	Analjit Singh	4.00	3.00
		Mohit Talwar	15.00	16.00
		K.N Murthy	17.00	16.00
		D.K Mittal	21.00	18.00
		Sujata Keshavan	-	1.00
		Ashok Kacker	16.00	15.00
		Gauri Padmanabhan	6.00	-
		Niten Malhan	1.00	-
		Total	80.00	69.00

Notes forming part of the standalone financial statements

S.No	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
17	Loan given	Max Estates Limited	26,509.29	5,996.00
		Max Asset Services Limited	112.16	345.00
		Max I. Limited	624.94	201.00
		Max Speciality Films Limited	304.12	-
		Total	27,550.52	6,542.00
18	Repayment of loan given	Max Estates Limited	18,240.24	1,685.00
		Max Asset Services Limited	112.16	30.00
		Max I. Limited	640.00	-
		Total	18,992.40	1,715.00
18	Investment made	Max Estates Limited	2,782.36	32,187.00
		Max I Limited	466.71	527.36
		Wise Zone Builders Private Limited- Guarantee fee- Deemed Equity	63.44	(6.30)
		Total	3,312.51	32,708.06
19	Investments redeemed	Max I Limited- debentures	1,375.06	-
		Max I Limited- deemed equity	334.94	-
		Total	1,710.00	-
20	Guarantee Fees	Wise Zone Builders Private Limited	20.12	22.66
		Max Estates Limited	0.06	-
		Total	20.18	22.66
21	Provision of doubtful debts	Max Asset Services Limited	-	89.46
		Total	-	89.46
21	Provision for doubtful loan and interest receivable	Max Asset Services Limited	-	1,179.16
		Total	-	1,179.16
22	Security deposit received	Antara Senior Living Limited	83.90	-
		Total	83.90	-
23	Security deposit paid	Max Asset Services Limited	21.90	-
		SKA Diagnostics	12.50	-
		Total	34.40	-

* The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Notes forming part of the standalone financial statements

(b) Balances outstanding at year end

(Rs. in Lakhs)				
S.No	Nature of transaction	Particulars	As at March 31, 2020	As at March 31, 2019
1	Statutory dues payable	Max Financial services Limited	4.54	3.48
		Employees' Provident Fund Trust		
		Total	4.54	3.48
2	Interest Accrued on ICD's	Max Estates Limited	0.03	902.43
		Max Asset Services Limited	121.65	-
		Max I. Limited	10.18	40.18
		Max Speciality Films Limited	5.35	-
		Total	137.21	942.61
	Provision made against above	Max Asset Services Limited	117.16	-
		Total	117.16	-
3	Trade Receivables	Max Speciality Films Limited	422.89	432.68
		Max Estates Limited	7.51	60.03
		Max Asset Services Limited	1.14	-
		Max I. Limited	5.78	22.13
		Max Ventures Private Limited	87.55	121.36
		Piveta Estates Private Limited	6.29	6.06
		Four Season Foundation		0.02
		Max India Limited	16.78	8.12
		Max Financial Services Limited	-	10.16
		Max India Foundation	-	7.06
		Wise Zone Builders Private Limited	7.40	76.27
		Antara Senior Living Limited	15.10	
		Total	570.46	743.90
4	Other Receivables	Max Speciality Films Limited	9.16	9.08
		Max Estates Limited	0.18	20.65
		Max Asset Services Limited	15.41	-
		Max I. Limited	19.63	55.31
		Max Ventures Private Limited	5.14	10.03
		Piveta Estates Private Limited	9.65	9.65
		Wise Zone Builders Private Limited	-	1.38
		Total	59.17	106.10
5	Advance to party	Max India Foundation	14.22	-
		SKA Diagnostic Private Limited	37.83	-
		Total	52.05	-
6	Inter Corporate Deposit Receivable	Max Estates Limited	18,070.83	9,801.77
		Max Asset Services Limited	1,062.00	1,062.00
		Max I. Limited	472.94	488.00
		Max Speciality Films Limited	304.12	-
		Total	19,909.89	11,351.77

Notes forming part of the standalone financial statements

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	As at March 31, 2020	As at March 31, 2019
	Provision made against above	Max Asset Services Limited	1,062.00	1,062.00
		Total	1,062.00	1,062.00
7	Investment in Debentures	Max Estates Limited	36,964.00	35,187.00
		Max Estates Limited- Deemed Equity	14.36	-
		Max I Limited - Deemed Equity	2,667.68	3,002.62
		Max I. Limited	4,413.73	5,322.08
		Wise Zone Builders Private Limited- deemed equity	156.75	-
		Total	44,216.52	43,511.70
8	Trade payables and Capital Creditors	Max Financial Services Limited	165.18	167.40
		Vana Enterprises Limited	9.80	-
		Max Estates Limited	-	30.85
		Piveta Estates Private Limited	6.82	6.82
		Max UK Limited	-	2.54
		Max Healthcare Institute Limited	-	0.02
		New Delhi House Services Limited	32.33	3.98
		Max India Limited	10.04	-
		Total	224.17	211.60
9	Security Deposit received	Antara Senior Living Limited	83.90	-
		Total	83.90	-
10	Security Deposit made	Max Asset Services Limited	21.90	-
		SKA Diagnostic Private Limited	12.50	-
		Total	34.40	-

Terms and conditions of transactions with related parties

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- The income/expense from sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Notes forming part of the standalone financial statements

35 Disclosure required under Section 186 (4) of the Companies Act, 2013.

(a) Particulars of Loans given:

(Rs. in Lakhs)						
Sr. No	Name of the Loanee	As at March 31, 2019	Loan given	Repayment of loan given	As at March 31, 2020	Purpose
1	Max Estates Limited	9,801.77	26,509.29	18,240.24	18,070.82	Operational Cash Flow requirement
2	Max Asset Services Limited	1,062.00	112.16	112.16	1,062.00	Operational Cash Flow requirement
3	Max Speciality Films Limited	-	304.12	-	304.12	Operational Cash Flow requirement
4	Max I. Limited	488.00	624.94	640.00	472.94	Operational Cash Flow requirement
		11,351.77	27,550.52	18,992.40	19,909.89	
	Provision made against above	(1,062.00)			(1,062.00)	
		10,289.77	27,550.52	18,992.40	18,847.89	

(b) Particulars of Guarantee given:

(Rs. in Lakhs)						
Sr. No	Name of the financial institutions / banks/NBFC	Opening Balance	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
1	Axis Bank Limited	15,000.00	-	15,000.00	-	Corporate guarantee has been given for loan taken for business purpose by Wise zone builders private limited, step down subsidiary
2	ICICI Bank	-	16,200.00	-	16,200.00	Corporate guarantee has been given for loan taken by Max Estates Limited and Wise Zone Builders Private Limited for construction of Max House Okhla and LRD of Max Towers respectively
		15,000.00	16,200.00	15,000.00	16,200.00	

Notes forming part of the standalone financial statements

(c) Particulars of Investments made in equity and debentures:

(Rs. in Lakhs)

Sr. No	Name of the Investee	As at March 31, 2019	Investment made	Investment redeemed	As at March 31, 2020	Purpose
Investment in Equity						
1	Max Speciality Films Limited	10,017.83	-	-	10,017.83	Strategic investment
2	Max Estates Limited	6,800.00	991.00	-	7,791.00	Strategic investment
3	Max Asset Services Limited (formerly known as Max Learning Limited)	205.00	-	-	205.00	Strategic investment
4	Max I. Limited	3,007.62	-	(334.94)	2,672.68	Strategic investment
5	Wise Zone Builders Private Limited	89.15	67.60	-	156.75	Corporate guarantee
6	Max Estates Limited	-	14.36	-	14.36	Corporate guarantee
Investment in Debentures						
1	Max I. Limited	5,322.08	(908.35)	-	4,413.73	Strategic investment
2	Max Estates Limited	35,187.00	1,777.00	-	36,964.00	Strategic investment
		60,628.68	1,941.61	(334.94)	62,235.35	

- 36** During the year ended March 31, 2019, the Company issued 7,37,53,787 equity shares of the company of face value of Rs. 10/- each ("Rights Equity Shares") at an issue price of Rs. 61 per Rights equity share (including a premium of Rs. 51 per Rights equity share) on rights basis.

Proceeds from the rights issue have been utilized upto March 31, 2020 in the following manner:

(Rs. in Lakhs)

	Planned	Actual
Gross Proceeds through the rights issue	44,989.81	44,989.81
Less: Issue expenses*	593.30	593.30
Net proceeds of the issue after deducting the issue related expenses from the rights issue	44,396.51	44,396.51

*Actual expenses incurred were INR 504.71 lakhs

Notes forming part of the standalone financial statements

(Rs. in Lakhs)

	Planned	Actual
Net proceeds of the issue after deducting the issue related expenses from the rights issue	44,396.51	44,396.51
Utilization:		
Investment in Max Estates Limited, one of our Subsidiaries, for further investment in Wise Zone Builders Private Limited (WZBPL), step down subsidiary for pre-payment / repayment of loan availed from IDFC Bank Limited for repayment to Piveta Estates Private Limited	25,000.00	25,000.00
Investment in Max Estates Limited for further investment in WZBPL, for construction and completion of Max Towers in the Delhi One project	7,525.00	7,525.00
Investment in Max Estates Limited for purchase of interest in property and a portion of the land at Max House (Okhla Project) from Pharmax Corporation Limited	2,430.00	2,430.00
General corporate purpose	9,441.51	9,441.51
Total	44,396.51	44,396.51
Unutilised proceeds		-

37 Changes in liabilities arising from financing activities

Particulars	1-Apr-19	Cash flows	New leases	31-Mar-20
Current lease liabilities	-	-	352.43	352.43
Non- current borrowings	7.69	(7.69)	-	-
Non-current lease liabilities	-	-	2,325.79	2,325.79
Total liabilities from financing activities	7.69	(7.69)	2,678.22	2,678.22

Particulars	1-Apr-18	Cash flows	New leases	31-Mar-19
Non- current borrowings	8.71	(1.02)	-	7.69
Total liabilities from financing activities	8.71	(1.02)	-	7.69

38 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital attributable to the equity shareholders of the Company, securities premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio upto maximum of 40%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Notes forming part of the standalone financial statements

	As at March 31, 2020	As at March 31, 2019
Borrowings	-	7.69
Other financial liabilities	103.67	171.64
Trade payables	-	-
Less: Cash and Cash equivalents	459.18	308.46
Net Debt	(355.51)	(129.13)
Equity	85,823.09	84,662.00
Total Equity	85,823.09	84,662.00
Total Capital and net debt	85,467.58	84,532.87
Gearing ratio	-0.42%	-0.15%

- 39** The outbreak of Coronavirus disease (COVID-19) pandemic globally and in India and consequent nationwide lockdown ordered by the Governments is causing significant disturbance and slowdown of economic activity. Consequently, the Company has assessed the impact of this pandemic on its business operations and has assessed the recoverability and carrying values of its financial and non-financial assets as at the balance sheet date using various internal and external information up to the date of approval of these financial results. Basis this the management has concluded that neither there is any material adverse impact on operations of the Company nor any material adjustments required at this stage in the financial results of the Company for the year ended March 31, 2020.

However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of Covid-19 may be different from that estimated as at the date of approval of these Ind AS financial results and the Company will continue to monitor any material changes to future economic conditions.

- 40** The figures have been rounded off to the nearest Lakhs of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than Rs. 50,000/-. The previous year figures have been regrouped/ rearranged wherever necessary to make them comparable.

The accompanying notes are integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

Place : Gurugram

Date: June 5, 2020

For and on behalf of the Board of Directors of Max Ventures and Industries Limited

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Nitin Kumar Kansal

(Chief Financial Officer)

Place : New Delhi

Date: June 5, 2020

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Saket Gupta

(Company Secretary)





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INDEPENDENT AUDITOR'S REPORT

To the Members of Max Ventures and Industries Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Max Ventures and Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us [and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in

the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 48 of the accompanying consolidated Ind AS financial statements which, describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the carrying value of its assets as at March 31, 2020 and the operations of the Group. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the

performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of Investment Property (under development for sale and completed) <i>(as described in note 4 of the consolidated Ind AS financial statements)</i>	
<p>As at March 31, 2020, three of group's subsidiary companies have investment property including under construction amounting to Rs. 69,675.77 lakhs. Investment property portfolio consists of commercial projects for lease at Noida and projects under development at Okhla.</p> <p>The management assessed at least annually the existence of impairment indicators for its investment property, and if impairment indicator exists, these investment properties are subject to an impairment test.</p> <p>Impairment indicators were identified by the management with respect to investment property and amounts recoverable from investment property. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these investment property and other receivables to their recoverable amount to determine whether an impairment loss was required to be recognised.</p> <p>For the purpose of the above impairment testing, recoverable amount has been determined by reference to the underlying expected cash flows from these underlying projects.</p> <p>The determination of the recoverable amount of investment property involved significant judgments due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments.</p> <p>Considering, the significance of the amount of carrying value of investment property in the financial statements and involvement of significant estimation and judgement in assessment of valuation, the same is considered as key audit matter.</p>	<p>The subsidiaries' auditor's, audit procedures related to this key audit matter included the following:</p> <ul style="list-style-type: none"> • Assessment of the compliance of Group's accounting policies for impairment of assets with Ind AS 36-'Impairment of Assets'. • Assessment of the design, implementation and operating effectiveness of management's internal controls over the management's process in setting budgets, authorizing and recording costs, estimating the future costs to completion and the forecast selling prices, for the investment property. • Evaluation of the objectivity and independence of component's real estate specialists involved in the valuation process. • Evaluation of the external real estate specialists' valuation methodology, with the help of our specialists and assessed key estimates, data inputs and assumptions adopted in the valuations, which included comparing expected future average selling prices with available market data such as recently transacted prices for similar properties located in the nearby vicinity of each property development project. • Evaluation on a sample basis, the estimated costs to complete against contracts and agreements, taking into consideration the costs incurred to-date, construction progress and any significant deviation in design plans or cost overruns. • Assessment of the impact of COVID-19 pandemic based on current economic and market conditions on management impairment assessment for its investment property. • Assessment of the subsidiaries' forecast selling prices by comparing it to the recent transacted sales prices for the same project. • We compared the recoverable amount of the investment property to the carrying value in books. • We assessed the disclosures made in the financial statements regarding such investment.

Assessment of fair value measurement of investments in equity instruments, where no market prices are available (as described in note 5 of the consolidated Ind AS financial statements)

As at March 31, 2020, one of group's subsidiary had invested in unlisted equity shares amounting to Rs. 10,406.99 lakhs. These were accounted for at fair value through profit and were classified as level 3.

Financial instruments that are classified as level 2 or level 3 in the fair value hierarchy will have some element of estimation uncertainty inherent in their value, and the uncertainty is higher for level 3 financial instruments which, by their nature, are unobservable.

Considering, fair valuation involves estimation uncertainty and significant management judgement, the same has been considered as key audit matter.

The subsidiaries' auditor's, audit procedures related to this key audit matter included the following:

- We assessed the compliance of Company's accounting policies for investment in unlisted equity shares with Ind As 109 'Financial Instruments'.
- Identified relevant controls over valuation of financial asset and evaluated the design, implementation and operating effectiveness of these controls.
- Assessed the valuation methodology with the help of our specialists and assessed key estimates, data inputs and assumptions adopted in the valuations used in the determination of fair value by the Company with reference to available facts and circumstances including assessing the impact of COVID-19 pandemic based on current economic and market conditions.
- Reviewed the disclosures made of such financial instruments in the financial statements.

Assessment of recoverability of deferred tax assets (as described in note 16 of the Consolidated Financial Statements)

As at March 31, 2020, one of the group's subsidiary has recognized deferred tax asset amounting to Rs. 272 lakhs on deductible temporary differences and unused tax losses and credits.

Recognition of deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses and credits can be utilized involves significant management judgement and estimation given that it is based on assumptions such as the likely timing and level of future taxable profits which are affected by expected future market and economic conditions.

Considering, this involves significant judgement and estimates, the same has been considered as key audit matter.

With the assistance of a tax specialist, our procedures included, but were not limited to:

- Tested the computation of the amounts recognized as deferred tax assets;
- Obtained an understanding of the process and assessed the design, implementation and operative effectiveness of management's key internal controls over income tax including deferred tax asset recognition;
- Evaluated management's assumptions and estimates like projected revenue growth, EBITDA, etc. used in forecast of taxable income to support the recognition of deferred tax asset with reference to available facts and circumstances including assessing the impact of COVID-19 pandemic based on current economic and market conditions;
- Assessed the historical accuracy of management's estimation of forecast taxable income;
- Reviewed the disclosures on deferred tax asset included in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and

other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise

professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore

the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 6 subsidiaries, whose Ind AS financial statements include total assets of Rs 139,743.11 lakhs as at March 31, 2020, and total revenues of Rs. 41,602.99 lakhs and net cash inflows of Rs 158.85 for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.
- (b) Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial

statements – Refer Note 34a to the consolidated Ind AS financial statements;

- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2020.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

UDIN: 20108044AAAADH5489

Place of Signature: New Delhi

Date: June 5, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF MAX VENTURES AND INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Max Ventures and Industries Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Max Ventures and Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We

conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated

Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree

of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these 6 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

UDIN: 20108044AAAADH5489

Place of Signature: New Delhi

Date: June 5, 2020

Consolidated Balance Sheet

as at March 31, 2020

(Rs. in Lakhs)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	53,643.30	55,127.35
Capital work-in-progress	3	101.32	549.42
Investment property	3	69,675.77	4,293.49
Goodwill	4	167.09	167.09
Other Intangible assets	4	184.19	230.73
Right to use	34c	2,937.31	-
Intangible assets under development	4	-	12.95
Financial assets	5		
(i) Investments		10,406.99	10,096.89
(ii) Loans		743.70	467.53
(iii) Trade receivable		131.62	-
(iv) Other bank balances		645.65	0.25
Deferred tax assets	16	437.80	838.62
Non-current tax assets	6	613.32	447.92
Other non current assets	7	403.31	439.73
		140,091.37	72,671.97
Current assets			
Inventories	8	16,072.84	85,600.63
Financial assets	9		
(i) Investments		2,787.30	-
(ii) Trade receivables		12,949.65	14,984.49
(iii) Cash and cash equivalents		1,192.16	716.85
(iv) Bank Balances other than (iii) above		9,061.87	11,224.45
(v) Loans		88.12	323.60
(vi) Derivative instruments		124.78	-
(vii) Other current financial assets		1,053.91	332.72
Other current assets	10	4,540.30	3,967.65
		47,870.93	117,150.39
Total assets		187,962.30	189,822.36
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	14,662.41	14,660.08
Other equity	12	72,833.73	69,062.25
Equity attributable to equity holders of parent company		87,496.14	83,722.33
Non-controlling interest		16,775.31	11,612.95
Total equity		104,271.45	95,335.28
Liabilities			
Non-current liabilities			
Financial liabilities			

(Rs. in Lakhs)

	Notes	As at March 31, 2020	As at March 31, 2019
(i) Borrowings	13	25,826.17	30,147.53
(ii) Lease liability	34c	2,502.05	-
(iii) Trade payables	14		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	247.94
(iv) Other non current financial liabilities	14	1,221.90	216.67
Long term provisions	15	798.83	514.56
Deferred tax liabilities (net)	16	867.31	419.98
Other non current liabilities	17	1,287.06	1,329.03
		32,503.32	32,875.71
Current liabilities			
Financial liabilities	18		
(i) Borrowings		24,332.45	21,764.87
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		444.22	346.17
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		13,465.21	17,972.96
(iii) Other current financial liabilities		10,016.64	5,904.10
(iv) Derivative instruments		-	448.28
(iv) Lease liability	34c	594.44	-
Other current liabilities	20	1,922.32	14,749.76
Short term provisions	19	412.25	425.23
		51,187.53	61,611.37
Total liabilities		83,690.85	94,487.08
Total equity and liabilities		187,962.30	189,822.36
Summary of significant accounting policies	2		
Other notes on accounts	3-51		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

Place : Gurugram

Date: June 5, 2020

For and on behalf of the Board of Directors of Max Ventures and Industries Limited

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Sahil Vachani

(Managing Director & Chief

Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : New Delhi

Date: June 5, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

		(Rs. in Lakhs)	
	Notes	for the year ended March 31, 2020	for the year ended March 31, 2019
INCOME			
Revenue from operations	21	138,221.54	92,269.59
Other income	22	1,728.07	2,271.37
Total income		139,949.61	94,540.96
EXPENSES			
Cost of raw materials consumed / Cost of land, plots, development rights, constructed properties and others	23	75,788.75	86,029.65
Change in inventories of finished goods, traded goods and work in progress	24	24,817.49	(12,225.45)
Employee benefits expense	25	5,415.79	4,273.86
Finance costs	26	7,095.24	4,189.45
Depreciation and amortization expense	27	4,611.70	3,047.52
Other expenses	28	15,529.25	12,306.04
Total expenses		133,258.22	97,621.07
Profit/(Loss) before tax		6,691.39	(3,080.11)
Tax expenses	30		
Current income tax charge		1,686.18	371.68
Adjustment in respect of tax relating to previous year		9.32	(75.12)
Deferred Tax		586.55	(444.53)
Total Tax expenses		2,282.05	(147.97)
Profit/(Loss) after tax		4,409.34	(2,932.14)
Attributable to:			
Equity holders of the parent		3,743.04	(2,310.51)
Non-controlling interests		666.30	(621.63)
		4,409.34	(2,932.14)
Other comprehensive income/(loss)			
Other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent years			
Cost of hedging reserve	31	94.21	(94.21)
Income tax effect		(32.97)	32.97
Net comprehensive income/ (loss) to be reclassified to profit or loss in subsequent years		61.24	(61.24)
Other comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent years:			
Re-measurement gains/(loss) of defined benefit plans	31	(65.51)	36.60
Income tax effect		23.20	(6.62)
Net comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent years:		(42.31)	29.98

		(Rs. in Lakhs)	
	Notes	for the year ended March 31, 2020	for the year ended March 31, 2019
Other comprehensive income for the year, net of tax		18.93	(31.26)
Total comprehensive income for the year		4,428.27	(2,963.40)
Attributable to:			
Equity holders of the parent		3,754.05	(2,317.42)
Non-controlling interests		674.22	(645.98)
Earnings per equity share (Nominal Value of share Rs.10/-)	32		
Basic (Rs.), computed on the basis of profit/(loss) for the year attributable to equity holders of the parent.		2.55	(1.95)
Anti Diluted/Diluted (Rs.) computed on the basis of profit/(loss) for the year attributable to equity holders of the parent.		2.55	(1.95)
Summary of significant accounting policies	2		
Other notes on accounts	3-51		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

Place : Gurugram

Date: June 5, 2020

For and on behalf of the Board of Directors of Max Ventures and Industries Limited

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Nitin Kumar Kansal

(Chief Financial Officer)

Place : New Delhi

Date: June 5, 2020

Sahil Vachani

(Managing Director & Chief

Executive Officer)

DIN: 00761695

Saket Gupta

(Company Secretary)

Consolidated Statement of changes in equity

for the year ended March 31, 2020

a) Equity share capital

Particulars	Nos.	(Rs. in Lakhs)
Shares of Rs. 10/- each, issued, subscribed and fully paid		
As at March 31, 2018	72,648,105	7,264.81
Add: Equity share issued (refer note 11)	198,890	19.89
Add: Shares issued for stock options exercised during the year/period (refer note 11)	73,753,787	7,375.38
As at March 31, 2019	146,600,782	14,660.08
Add: Shares issued for stock options exercised during the year/period (refer note 11)	23,280	2.33
As at March 31, 2020	146,624,062	14,662.41

b) Other equity

Particulars	Reserves and surplus					Non-controlling interest	Total equity
	Capital reserve (Refer note 12)	Securities premium (Refer note 12)	Employee stock options outstanding (Refer note 12)	Retained earnings (Refer note 12)	Total		
	13,822.40	12,873.12	20.91	7,526.37	34,242.80	12,258.93	46,501.73
Loss for the year	-	-	-	(2,310.51)	(2,310.51)	(621.63)	(2,932.14)
Other comprehensive income for the year	-	-	-	(6.91)	(6.91)	(24.35)	(31.26)
Effect of adoption of new accounting standard	-	-	-	(30.69)	(30.69)	-	(30.69)
Issue of share capital	-	37,614.43	-	-	37,614.43	-	37,614.43
Exercise of share option under ESOP scheme (refer note 35.2)	-	20.91	(20.91)	-	-	-	-
Premium on issue of employee stock options	-	23.27	34.57	-	57.84	-	57.84
Share issue expenses adjusted with Securities Premium	-	(504.71)	-	-	(504.71)	-	(504.71)
As at March 31, 2019	13,822.40	50,027.02	34.57	5,178.26	69,062.25	11,612.95	80,675.20
Loss for the year	-	-	-	3,743.04	3,743.04	666.30	4,409.34
Other comprehensive income for the year	-	-	-	11.01	11.01	7.92	18.93
Acquisition of new subsidiary	-	-	-	-	-	1,057.18	1,057.18
Issue of share capital to minority	-	-	-	-	-	3,430.96	3,430.96
Premium on issue of employee stock options	-	3.33	14.10	-	17.43	-	17.43
As at March 31, 2020	13,822.40	50,030.35	48.67	8,932.31	72,833.73	16,775.31	89,609.04
Summary of significant accounting policies	2						
Other notes on accounts	3-51						

The accompanying notes are integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

For and on behalf of the Board of Directors of Max Ventures and Industries Limited

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: June 5, 2020

Place : New Delhi

Date: June 5, 2020

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Cash flow from operating activities		
Net Profit/(Loss) before tax	6,691.39	(3,080.11)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	4,611.70	3,047.52
Impairment loss	-	194.02
Employee stock option scheme	14.10	36.91
Bad debts written off	165.54	22.59
Fair value gain on non-current investments at fair value through profit or loss	(1,807.80)	(1,051.00)
Gain on sale of investments of non current investments	(986.40)	-
(Gain)/ loss on disposal of property, plant and equipment	0.43	(263.21)
Fair value loss/(gain) on financial instruments at fair value through profit or loss	-	213.03
Gain on sale of financial instruments	(260.82)	(332.21)
Liabilities/provisions no longer required written back	(26.97)	(167.38)
Interest income	(740.11)	(798.03)
Unwinding of discount on security deposit	(6.22)	(47.41)
Finance costs (including fair value change in financial instruments)	7,095.24	3,896.38
Operating profit before working capital changes	14,750.08	1,671.10
Working capital adjustments:		
(Increase)/decrease in trade and other receivables and prepayments	2,884.48	(1,511.57)
(Increase)/decrease in inventories	24,495.86	(15,878.93)
(Decrease)/ Increase in trade and other payables	(17,331.95)	79.63
(Decrease)/ Increase in provisions and government grant	108.76	(60.50)
Cash generated from operations	24,907.23	(15,700.27)
Income tax paid	(1,608.88)	(469.32)
Net cash flows (used in)/ from operating activities	23,298.35	(16,169.59)
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	3.44	561.58
Purchase of property, plant and equipment and investment property (including intangible assets, CWIP and capital advances)	(14,115.60)	(9,310.12)
Acquisition of subsidiary	(6,073.05)	-
Interest received	843.56	1,074.26
Net movement in deposits with remaining maturity for more than 3 months	1,517.18	(11,219.85)
Purchase of current investments	(23,898.24)	(2,830.00)
Proceeds from redemption of current investments	22,070.82	8,682.91
Proceeds from sale of non-current investments	2,567.24	-
Purchase of non-current investments	(83.14)	(18.22)
Net cash flows used in investing activities	(17,167.79)	(13,059.44)

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Cash flow from financing activities		
Proceeds from issuance of equity share capital including security premium	-	44,989.81
Share issue expenses	-	(504.71)
Proceeds from issuance of ESOP's including security premium	5.64	6.25
Increase in minority interest	3,430.96	-
Repayment of lease liability	(579.42)	-
Repayments of short term borrowings	(21,764.87)	(43,156.00)
Proceeds from short term borrowings	24,332.45	21,764.87
Proceeds from long-term borrowings	13,399.81	13,221.80
Repayment of long-term borrowings	(17,734.32)	(3,193.27)
Interest paid	(6,754.07)	(3,816.14)
Net cash flows (used in)/ from financing activities	(5,663.82)	29,312.61
Net increase in cash and cash equivalents	466.74	83.58
Cash and cash equivalents at the beginning of the period/year	716.85	633.27
Cash and cash equivalents acquired on acquisition	8.57	-
Cash and cash equivalents at year end	1,192.16	716.85

Components of cash and cash equivalents :-

	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
On current accounts	1,185.67	490.26
Cheques on hand	-	219.00
Cash on hand	6.49	7.59
	1,192.16	716.85
Summary of significant accounting policies	2	
Other notes on accounts	3-51	

The accompanying notes are integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

For and on behalf of the Board of Directors of Max Ventures and Industries Limited**Dinesh Kumar Mittal**

(Director)

DIN: 00040000

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: June 5, 2020

Place : New Delhi

Date: June 5, 2020

Notes forming part of the Consolidated financial statements

1. Corporate Information

The Consolidated financial statement comprise financial statement of Max Ventures and Industries Limited (the Company) and its subsidiaries (collectively, the Group) for the year ended March 31, 2020. The Company is registered as a public company domiciled in India under Companies Act, 2013 and was incorporated on January 20, 2015. The Company's shares got listed on National Stock Exchange and Bombay Stock Exchange as on June 22, 2016. Registered office of the Company is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab - 144533.

The Group is principally engaged in the business of - Manufacturing and selling of a wide range of sophisticated packaging unmetallised BOPP films and metallised BOPP films including High Barrier films, Thermal Lamination films and Leather finishing foils;

- Construction and development of residential and commercial properties
- Making investments in various companies and primarily engaged in growing and nurturing these business investments
- Exploring opportunities/establishing schools
- Providing shared services to its other group companies Information on the group structure is provided in Note 29. Information on other related party relationship of the Group is provided in the Note 39

The consolidated summary statements and other consolidated financial information were authorised for issue in accordance with a resolution by the Board of directors of the Company on June 5, 2020

2 Significant accounting policies

2.1a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance

with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of division II of Schedule III to the Companies Act 2013.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value

- (i) Certain financial assets and liabilities (refer accounting policy regarding financial instruments)
 - (ii) Derivative financial instruments,
 - (iii) Defined benefit plans - plan assets
- Financial Statement are presented in INR and all values are rounded to nearest Lakhs (INR 00,000) except when otherwise stated

The accounting policies have been consistently applied by the Group.

b) Basis of Consolidation

The Consolidated Financial Statements (CFS) comprises the financial statements of the Company and its Subsidiaries as at March 31, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the

Notes forming part of the Consolidated financial statements

investee to affect its returns. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate

adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. IND AS12 Income Taxes

Notes forming part of the Consolidated financial statements

applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

- (iii) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

- (iv) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of

components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle (ii) It is held primarily for the purpose of trading (iii) It is due to be settled within twelve months after the reporting period, or (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- (ii) The Group classifies all other liabilities as non-current.
- (iii) Deferred tax assets and liabilities are classified as non-current assets and

Notes forming part of the Consolidated financial statements

liabilities.

- (vi) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b. Property, Plant and Equipment and Investment Property

(i) Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Group has applied exemptions of IND AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT\GST credit and VAT credit availed wherever applicable. Cost includes borrowing cost for long term construction projects if recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and

equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

In respect to tangible and intangible assets acquired under the business transfer agreement, the Group has calculated depreciation/amortization on straight-line basis using the rates arrived at based on a technical estimate of the residual useful lives estimated by an independent engineering consultancy professional firm.

Notes forming part of the Consolidated financial statements

In respect of others assets, depreciation is calculated on a straight-line basis over estimated useful lives estimated by the management and in the manner prescribed in Schedule II of the Companies Act 2013.

The useful life is as follows:

Assets Useful lives estimated by the management (years)

Leasehold Improvements Over life of lease or life of asset whichever is less

Factory building	30
Other building	60
Plant and Equipment	15-25
Office Equipment	3 - 5
Computers & Data	
Processing Units	3 - 6
Furniture and Fixtures	10
Motor Vehicles	3 - 8

c. Intangible assets

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Group has applied exemptions of IND AS 101 to continue the carrying value of all intangible assets as at the date of transition as its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing

the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 3-6 years.

Notes forming part of the Consolidated financial statements

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- (a.) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- (b.) Its intention to complete and its ability and intention to use or sell the asset
- (c.) How the asset will generate future economic benefits
- (d.) The availability of resources to complete the asset
- (e.) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

d. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must

be committed to the sale expected within one year from the date of classification. The criteria for held for sale is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- i. The appropriate level of management is committed to a plan to sell the asset,
- ii. An active programme to locate a buyer and complete the plan has been initiated,
- iii. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- iv. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- v. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.
- vi. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

e. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-

Notes forming part of the Consolidated financial statements

generating unit's (CGU) net fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In this case, the growth rate does not exceed the long-term average growth rate for the products, industries, country in which the

entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining economic life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds

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its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non – financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

f. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

The Group classified its financial assets in the following measurement categories :-

- Those to be measured subsequently

at fair value (either through other comprehensive income or through profit & loss)

- Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset. The difference between the transaction amount and amortised cost in case of interest free loan to subsidiaries based on expected repayment period is considered as deemed investment.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its

Notes forming part of the Consolidated financial statements

contractual maturity to released its fair value change), and

- (ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discount the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the Group estimate the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt

instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized (i.e., removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a

Notes forming part of the Consolidated financial statements

“pass through” arrangement and either;

- (a) the Group has transferred the rights to receive cash flows from the financial assets or
- (b) the Group has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with IND AS 109, the Group applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortised cost; e.g. Loans, security deposits, trade receivable, bank balance.
- Financial assets measured at fair value through other comprehensive income

(FVTOCI);

The Group follows “simplified approach” for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12- months ECL.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analysed.

Notes forming part of the Consolidated financial statements

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Group financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money and other payables.

Subsequent measurement

The measurement of financial liabilities

depends on their classification, as described below:

Trade Payables

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 0-180 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Notes forming part of the Consolidated financial statements

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the

respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

g. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The following specific recognition criteria must also be met before revenue is recognized:

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from shared services because the receipt of consideration is conditional on successful completion of the contract. Upon completion of the contract and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section e) Financial instruments – initial recognition and subsequent measurement.

Notes forming part of the Consolidated financial statements

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section e) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value of consideration received/receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from constructed properties

- (i) Revenue is recognised over time if either of the following conditions is met:
 - a. Buyers take all the benefits of the

property as real estate developers construct the property.

- b. Buyers obtain physical possession of the property
- c. The property unit to be delivered is specified in the contract and real estate entity does not have an alternative use of the unit; the buyer does not have the discretion to terminate the contract and the entity has right to payment for work completed to date. In case none of these conditions is met, revenue would be recognised at a point in time when the control of the property is passed on to the customer.

Shared Service Income

Revenue from shared services are recognised by reference to stage of completion of contract. The Group collects service tax/GST on behalf of the government and, therefore it is not an economic benefit flowing to the Group and is thus excluded from revenue.

Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected

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credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend Income

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date.

Job work income

Revenue from job work is recognised by reference to stage of completion of job work as per terms of agreement. Revenue from job work is measured at the fair value of the consideration received or receivable, net of allowances, trade discounts and volume rebates, if any.

Export benefits

Export benefits constituting import duty benefits under Duty Exemption Pass Book (DEPB), duty draw back, Merchandise Exports from India Scheme (MEIS) and focus market scheme (FMS) are accounted for on accrual basis. Export benefits under DEPB & duty draw back are considered as other operating income.

h. Inventories

A. Inventories in manufacturing business

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, Packing material and Stores & spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their

present location and condition. Cost of raw materials, packing material and Stores & spares has been determined by using moving weighted average cost method.

- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined by using moving weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

B. Inventories in real estate business

Inventories also comprise completed units for sale and property under construction (Work in progress):

- Completed Unsold inventory is valued at lower of cost and net realizable value. Cost is determined by including cost of land, materials, services and related overheads.
- Work in progress is valued at cost. Cost comprises value of land (including development rights), materials, services and other overheads related to projects under construction.

i. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation

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authorities in accordance with the Income Tax Act, 1961 and the income computation and disclosure standards (ICDS) enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets (including MAT credit) are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected

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to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets is recognised for MAT credit available only to the extent that there is convincing evidence that the Group will pay normal income tax during specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

GST (Goods and Service tax)/ Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST (Goods and Service tax)/ Sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of Other current assets or liabilities in the balance sheet.

j. Borrowing costs

Borrowing cost includes interest expense as per effective interest rate [EIR]. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time that the asset are substantially ready for their intended use. Where fund are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing incurred.

Where surplus funds are available out of money borrowed specifically to finance project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rate applicable to relevant general borrowing of the Group during the year. Capitalisation of borrowing cost is suspended and charged to profit and loss during the extended periods when the active development on the qualifying project is interrupted. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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k. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Accounting policy upto March 31, 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Company as a lessee

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (d) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably

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certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to

be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

I. Provision and Contingent liabilities

Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future

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events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

m. Retirement and other employee benefits

Provident fund

The Group has contributed to employees provident fund benefits through a trust "Max Financial Services Limited Provident Fund Trust" managed by Max Financial Services Limited (erstwhile Max India Limited) whereby amounts determined at a fixed percentage of basic salaries of the employees are deposited to the trust every month. The benefit vests upon commencement of the employment. The interest rate payable by the trust to the beneficiaries every year is notified by the government and the Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group has obtained actuarial valuation to determine the shortfall, if any, as at the Balance Sheet date. The Group recognizes contribution payable to the provident fund as an expense, when the employee renders the related service.

Gratuity

Gratuity liability is a defined benefit

obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Max Speciality Films Limited, subsidiary of the Company has also made contribution to Life Insurance Corporation (LIC) towards a policy to cover the gratuity liability of the employees to an extent. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Group recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

- (i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.
- (ii) Net interest expenses or income

Superannuation fund

Retirement benefit in the form of superannuation fund is a defined contribution scheme. Max Speciality Films Limited, subsidiary has no obligation, other

Notes forming part of the Consolidated financial statements

than the contribution payable to the fund. Liability in respect of superannuation fund to the employees is accounted for as per the Max Speciality Films Limited Scheme and contributed to "Max Speciality Films Limited Employees Group Superannuation Trust" every year. The contributions to the funds are charged to the statement of profit and loss of the year/period.

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet as the Company does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities

are presented as current employee benefit obligations in the balance sheet.

Long term incentive plan

Employees of the Group receives defined incentive, whereby employees render services for a specified period. Long term incentive is measured on accrual basis over the period as per the terms of contract.

n. Share-based payments

Employees of the Company receive remuneration in the form of share based payment transaction, whereby employees render services as a consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions

Notes forming part of the Consolidated financial statements

being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions

The cost of cash settled is measured initially at fair value at the grant date. This fair value

is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefit expense.

o. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p. Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders of the parent company and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q. Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). the Group's financial statements are presented

Notes forming part of the Consolidated financial statements

in Indian rupee (₹) which is also the Group's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the time of the transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

r. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the

asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes forming part of the Consolidated financial statements

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring and non-recurring fair value measurement, such as derivative instruments measured at fair value.

External valuers are involved for valuation of significant assets, such as properties and financial assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. The management decides, after discussions with the Group's external valuers which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

The management in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions (note 38)

Quantitative disclosures of fair value measurement hierarchy (note 38)

Financial instruments (including those carried at amortised cost) (note 5, 9, 13, 14, 18)

s. Derivative instrument

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- (iii) Hedges of a net investment in a foreign operation

t. Government Grants

Government grants are recognized where

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there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on the basis of accomplishment of export obligations.

The Group has inventorised the duty saved on import of raw material and recognised Government grant as liability. Deferred income is recognised in statement of profit and loss as and when export obligations are fulfilled and government grant is reduced by deferred income recognised.

2.3 Changes in accounting policies and disclosures

New and amended Standards

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ended March 31, 2020, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

a) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to

recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 01, 2019. Under this method, the right-of-use asset is recognized at the date of initial application. The right-of-use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

For the effect of adoption of Ind AS 116 lease refer note 34 c.

b) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain

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tax treatments separately

- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Group's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Appendix did not have an impact on the financial statements of the Group.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the Grouping

disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

(a) Operating lease commitments - Group as lessee

The Group has taken various commercial properties on leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Refer Note 34.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Notes forming part of the Consolidated financial statements

(a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(b) Defined benefit plans

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit

obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds where remaining maturity if such bond corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 35.

(c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The Group uses Net asset value for valuation of investment in mutual funds. Refer Note 37 related to Fair value disclosures.

Notes forming part of the Consolidated financial statements

3. Property, plant and equipment (PPE) and Investment Property

(Rs. in Lakhs)

	Land (Freehold)	Building	Leasehold improvements	Plant and equipment	Furniture and fixture	Office equipment	Computers and data processing units	Motor vehicles	Total
Cost									
March 31, 2018	1,741.47	4,615.43	48.29	27,160.33	104.56	110.41	305.58	211.15	34,297.22
Additions	952.43	4,036.71	11.82	22,561.30	34.86	39.42	40.28	119.97	27,796.78
Disposals	(41.85)	(11.98)	(3.59)	(34.95)	-	(0.31)	(1.09)	(103.07)	(196.84)
March 31, 2019	2,652.05	8,640.16	56.52	49,686.68	139.42	149.52	344.77	228.05	61,897.16
Acquisition of subsidiary	-	-	-	44.20	-	-	-	-	44.20
Additions	-	93.87	390.93	1,200.66	73.14	10.57	54.66	67.07	1,890.90
Disposals	-	-	-	(29.90)	-	(1.53)	(0.15)	(4.96)	(36.54)
March 31, 2020	2,652.05	8,734.03	447.45	50,901.63	212.56	158.56	399.28	290.15	63,795.72
Depreciation									
March 31, 2018	-	251.36	32.74	3,323.32	18.77	33.12	158.75	28.71	3,846.77
Charge for the year	-	253.21	16.66	2,513.95	17.53	32.22	76.32	50.42	2,960.31
Disposals for the year	-	(1.54)	(2.10)	(6.24)	-	(0.14)	(0.98)	(26.27)	(37.26)
March 31, 2019	-	503.03	47.30	5,831.03	36.30	65.20	234.09	52.86	6,769.82
Acquisition of subsidiary	-	-	-	38.04	-	-	-	-	38.04
Charge for the year	-	293.02	34.91	2,873.27	23.92	34.69	52.42	48.30	3,360.53
Disposals for the year	-	-	-	(10.08)	-	(1.04)	(0.14)	(4.71)	(15.97)
March 31, 2020	-	796.05	82.21	8,732.26	60.22	98.85	286.37	96.45	10,152.42
Net book value									
As at March 31, 2020	2,652.05	7,937.98	365.24	42,169.37	152.34	59.71	112.91	193.70	53,643.30
As at March 31, 2019	2,652.05	8,137.13	9.22	43,855.65	103.12	84.31	110.68	175.19	55,127.35

Particulars	March 31, 2020	March 31, 2019
Capital work-in-progress	101.32	549.42
Total	101.32	549.42

Notes :

a) Property, plant and equipment (PPE) given as security

Refer note no 13 and 19 for charge created on property, plant and equipment as security against borrowings.

b) Capitalised borrowing costs

Borrowing cost capitalised during the year ended March 31, 2020 is Rs. 320.82 Lakhs (March 31, 2019: Rs 301.80 Lakhs)

c) Investment property includes property under construction at Okhla location under Max Estate Limited, a subsidiary company.

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Investment property

	(Rs. in Lakhs)				
	Max Towers	Building - Okhla	Land	Investment property (under Capital work in progress)	Total
At cost					
As at March 31, 2019	-	-	-	4,293.49	4,293.49
Additions	43,360.41	-	-	13,866.28	57,226.69
Acquisition of subsidiary		105.52	8,874.50	-	8,980.02
Disposals/ adjustments	-	-	-	-	-
As at March 31, 2020	43,360.41	105.52	8,874.50	18,159.77	70,500.20
Depreciation					
As at March 31, 2019	-	-	-	-	-
Acquisition of subsidiary	-	5.22	-	-	5.22
Depreciation charge for the year	818.56	0.65	-	-	819.21
Disposals/ adjustments	-	-	-	-	-
As at March 31, 2020	818.56	5.87	-	-	824.43
Net book value					
As at March 31, 2020	42,541.85	99.65	8,874.50	18,159.77	69,675.77
As at March 31, 2019	-	-	-	4,293.49	4,293.49

Notes:

(i) Contractual obligations

Refer note 34 for disclosure of contractual commitments for the acquisition of investment properties.

(ii) Capitalised borrowing cost

During the year company has capitalised Rs.313.12 lacs (Previous Year - 83.91 Lacs) under investment property under CWIP

(iii) Amount recognised in profit and loss for investment properties

	(Rs. In Lacs)
Rental income	984.73
Less: Direct operating expenses generating rental income	4.31
Profit from leasing of investment properties	980.42
Less: depreciation expense	819.42
Profit from leasing of investment properties after depreciation	161.01

(iv) Fair value

Fair value hierarchy and valuation technique

The fair value of investment property has been determined by the company internally, having appropriate recognised professional qualification and recent experience in the location and category

Notes forming part of the Consolidated financial statements

of the property being valued. The fair value has been arrived using discounted cash flow projections based on reliable estimates of future cash flows considering growth in rental of 15% on every 3 years, vacancy rate of 3% and discount rate of 12.00%.

Reconciliation of fair value:	(Rs in Lacs)
Opening balance as at 1 April 2019	NA
Increase of Fair value	NA
Decline in fair value	NA
Closing balance as at 31 March 2020 *	Rs.43,500 to 47,850 lacs

* Other than Investment property (under Capital work in progress)

Valuation models applied for valuation:

Discounted cash flow method - net present value is determined based on projected cash flows discounted at an appropriate rate

(v) Leasing Arrangements

Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly.

The company has leased out office premises under non cancellable operating leases. The contractual future minimum lease related receivables in respect of these leases are :

	(Rs. In Lacs)	
Particulars	As at March 31, 2020	As at March 31, 2019
Not later than 1 year	1,218.37	-
later than 1 year but not later than 5 years	4,873.47	-
more than 5 years	3,788.94	-
Total	9,880.78	-

4. Intangible assets

	(Rs. in Lakhs)				
	Computer software	Books - ISC	Goodwill	Total	Intangible assets under development
April 1, 2018	272.78	-	167.09	439.87	-
Cost					
April 1, 2018	499.04	25.96	167.09	692.09	206.96
Additions	27.82	-	-	27.82	-
Disposals	-	(25.96)	-	(25.96)	-
Impairment	-	-	-	-	(194.01)
March 31, 2019	526.86	-	167.09	693.95	12.95
Additions	27.43	-	-	27.43	-
Disposals	-	-	-	-	-

Notes forming part of the Consolidated financial statements

	(Rs. in Lakhs)				
	Computer software	Books - ISC	Goodwill	Total	Intangible assets under development
Net book					
March 31, 2020	554.29	-	167.09	721.38	12.95
Amortization					
As at April 1, 2018	217.57	6.52	-	224.09	-
Amortisation Charge for the year	78.56	8.65	-	87.21	-
Disposals for the year	-	(15.17)	-	(15.17)	-
March 31, 2019	296.13	-	-	296.13	-
Amortisation Charge for the year	73.97	-	-	73.97	12.95
Disposals for the year	-	-	-	-	-
March 31, 2020	370.10	-	-	370.10	12.95
Net Book Value					
March 31, 2020	184.19	-	167.09	351.28	-
March 31, 2019	230.73	-	167.09	397.82	12.95

4.01 Goodwill acquired under business combination under Business Transfer Agreement (BTA) with Max Financial Services Limited (erstwhile Max India Limited) on July 10, 2013 for the purchase of its Speciality films business (manufacturing and selling of a wide range of sophisticated packaging unmetallised BOPP films and metallised BOPP films including High Barrier films, Thermal Lamination films and Leather finishing foils) by way of slump sale on going concern basis.

Impairment testing of goodwill with indefinite life

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

5. Non-Current Financial Assets

i) Investments

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
a) Investment in Equity Shares (valued at Fair value through profit and loss)		
FSN E-Commerce Ventures Private Limited	3,143.10	2,916.14
62,269 (March 31, 2019 - 1,34,977) Equity Shares of Nominal Value Rs. 10 each fully paid up		
Azure Hospitality Private Limited	0.04	0.04
Unquoted equity instruments 100 (March 31, 2019 - 100) Equity Shares of Face Value Rs.10 each fully paid up		
b) Investment in Preference Shares (valued at Fair value through profit and loss)		

Notes forming part of the Consolidated financial statements

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Azure Hospitality Private Limited	7,144.95	7,144.95
16,234,829 (March 31, 2019 - 16,234,829) Series-C Preference Shares of Nominal Value Rs. 20 (Fair Value -Rs. 44.01) each fully paid up		
c) Investment in IAN Fund		
42,292 (March 31, 2019 - 42171.85) units of Nominal Value Rs. 100 each fully paid up	118.90	35.76
	10,406.99	10,096.89
Non-Current	10,406.99	10,096.89
Aggregate value of unquoted investments	10,406.99	10,096.89
Aggregate value of quoted investments	-	-
Aggregate market value of quoted investments	-	-

Note:

Series-C 0.01% Cumulative Dividend Preference Shares of Nominal will be convertible into one equity share per preference shares maximum upto fifteen years

ii) Loans (amortized cost) (unsecured) considered good unless otherwise stated

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Security deposits	742.28	465.89
Loan to employees	1.42	1.64
	743.70	467.53

iii) Trade Receivable

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Trade receivable	131.62	-
	131.62	-

(iv) Other bank balances

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Deposits with remaining maturity for more than 12 months	645.65	0.25
	645.65	0.25

6. Non-Current tax assets

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Advance Income Tax and Tax deducted at source	613.32	447.92
	613.32	447.92

Notes forming part of the Consolidated financial statements

7. Other non current assets

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unsecured considered good unless otherwise stated		
Capital advances	277.97	44.31
Excise duty deposited under protest	23.63	319.47
Prepaid expenses	73.43	2.52
Interest recoverable from Government authorities	28.28	73.43
	403.31	439.73

8 Inventories (at cost or NRV whichever is less)

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Raw materials and Packing materials [including stock in transit Rs 1,294.07 Lakhs (March 31, 2019: Rs. 2,035.52 Lakhs)]	5,721.49	5,401.18
Stores and spares	862.29	860.97
Work in progress-		
Real Estate	4,598.06	75,679.20
BOPP Film	2,581.40	2,250.39
Finished goods [including in transit Rs. 615.42 Lakhs (March 31, 2019: Rs. 545.49 Lakhs)]	2,309.60	1,408.89
	16,072.84	85,600.63

9. Current financial assets

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(i) Other investment		
Quoted mutual funds (valued at Fair value through profit and loss)		
DSP Overnight Fund	1,501.74	-
Plan - Direct Growth Plan		
(Units - 140,521.567, NAV - 1,067.4518) (March 31, 2019 - Units - nil, NAV - nil)		
Aditya Birla Sun Life Overnight Fund	1,285.56	
Plan - Direct Growth Plan		
(Units - 119,006.174, NAV - 1,080.2485) (March 31, 2019 - Units - nil, NAV - nil)		
	2,787.30	-
Aggregate value of unquoted investments	-	-
Aggregate value of quoted investments	2,787.30	-
Aggregate market value of quoted investments	2,787.30	-
(ii) Trade receivables		

Notes forming part of the Consolidated financial statements

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unsecured :-		
(a) Trade Receivables considered good - Secured;	117.56	6.90
(b) Trade Receivables considered good - Unsecured;	12,832.09	14,977.59
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables - credit impaired	-	125.02
Less: Impairment allowance for trade receivables	-	(125.02)
	12,949.65	14,984.49
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.		
Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days.		
For terms and conditions relating to receivables from related parties, refer note 39(b)		
(iii) Cash and cash equivalents		
Balances with banks:		
On current accounts	1,185.67	490.26
Cheques on hand	-	219.00
Cash on hand	6.49	7.59
	1,192.16	716.85
(iv) Bank Balances other than (iii) above		
Deposits:		
Deposits with remaining maturity for less than 12 months*	9,061.87	11,219.85
Margin money deposits	-	4.60
	9,061.87	11,224.45
v) Loans (amortized cost) (unsecured considered good unless otherwise stated)		
Loan to employee	12.93	13.33
Advance to related parties	38.00	-
Security deposits	37.19	310.27
	88.12	323.60
(vi) Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	124.78	-
	124.78	-
Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.		
(vii) Other financial assets		

Notes forming part of the Consolidated financial statements

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Interest accrued on deposits and others	194.50	297.95
Government grants	413.18	15.09
Other receivables	-	19.68
Excise/ Service duty deposited under protest	298.79	-
Unbilled revenue	147.44	-
	1,053.91	332.72
Break up of financial assets at amortised cost		
Non-current financial assets		
Loans (refer note 5(ii))	743.70	467.53
Other bank balances (refer note 5(iv))	645.65	0.25
Current financial assets		
Trade receivables (refer 9(ii))	12,949.65	14,984.49
Loans (refer 9(v))	88.12	323.60
Cash and cash equivalents (refer 9(iii))	1,192.16	716.85
Other bank balances (refer note 9(iv))	9,061.87	11,224.45
Other current financial assets (refer 9(vii))	1,053.91	332.72
	25,735.06	12,738.14

10. Other current assets (unsecured considered good, unless otherwise stated)

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Other advances*	639.76	1,501.11
Prepaid expenses	325.08	188.69
Government grant	1,064.90	458.80
Excise duty recoverable on export goods	454.29	446.17
Balance with statutory authorities	2,034.86	1,045.59
Export benefits receivables	17.28	327.29
Other recoverables	4.13	-
	4,540.30	3,967.65

* refer note 39(b) for advances to related parties

Notes forming part of the Consolidated financial statements

11. Share capital and other equity

(i) Equity share capital

		(Rs. in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
a) Authorized Share Capital			
	150,000,000 (March 31, 2019 - 150,000,000) equity shares of Rs.10/- each	15,000.00	15,000.00
		15,000.00	15,000.00
Issued, subscribed and fully paid-up			
	1,466,240,62 (March 31, 2019 - 1,466,007,82) equity shares of Rs.10/- each fully paid up	14,662.41	14,660.08
	Total issued, subscribed and fully paid-up share capital	14,662.41	14,660.08

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	March 31, 2020		March 31, 2019	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
At the beginning of the period	146,600,782	14,660.08	72,648,105	7,264.81
Add: Shares issued at incorporation of the Company	-	-	-	-
Add: Issued during the period under scheme of demerger	-	-	-	-
Add: Shares issued for stock options exercised during the year (Refer note no 35)	23,280	2.33	198,890	19.89
Add: Shares issued during the year/period	-	-	73,753,787	7,375.38
Outstanding at the end of the period	146,624,062	14,662.41	146,600,782	14,660.08

c) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes forming part of the Consolidated financial statements

d) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2020		March 31, 2019	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up				
Max Ventures Investment Holdings Private Limited.	49,337,874	33.65%	49,337,874	33.65%
New York Life International Holdings Limited	31,282,950	21.34%	31,282,950	21.34%
Siva Enterprises Private Limited	19,146,045	13.06%	16,728,653	11.41%

e) Aggregate number of Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

During the Financial year 2015-16, existing shareholders of Max Financial Services Limited (erstwhile Max India Limited) were allotted shares in the ratio of 1:5 in Max Ventures and industries Limited i.e. 53,300,555 equity shares under the scheme of demerger without any consideration in cash. The Company issued 96,245 Equity shares on exercise of options granted under the Employee Stock Option Plan 2006 of Max Financial Services Limited under the Corporate Restructuring plan.

The Company has issued 23,280 equity shares during the year ended March 31, 2020 and 198,890 Equity shares during the year ended March 31, 2019 on exercise of options granted under the Employee Stock Option Plan 2016 of Max Ventures and Industries Limited, for details refer note 35.

12. Other equity

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Capital reserve (refer note a below)	13,822.40	13,822.40
Securities premium account (refer note b below)	50,030.35	50,027.02
Employee stock options outstanding (refer note c below)	48.67	34.57
Retained earnings (refer note d below)	8,932.31	5,178.26
	72,833.73	69,062.25
Notes:		
a) Capital reserve		
At the beginning of the year	13,822.40	13,822.40
	13,822.40	13,822.40
b) Securities premium		
At the beginning of the year	50,027.02	12,873.12
Add: Issue of share capital (refer note 42)	-	37,614.43
Add: Addition/deletion on equity shares	-	23.27
Add: Premium on issue of employee stock options (refer note 35.2)	3.33	20.91
Less: Share issue expenses	-	(504.71)
	50,030.35	50,027.02

Notes forming part of the Consolidated financial statements

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
c) Employee stock options outstanding		
At the beginning of the year	34.57	20.91
Add: Premium on issue of employee stock options (refer note 35.2)	14.10	34.57
Less: Exercise of share option under ESOP scheme	-	20.91
	48.67	34.57
d) Retained earnings		
At the beginning of the year	5,178.26	7,526.37
Profit/(Loss) for the year	3,743.04	(2,310.51)
Effect of adoption of new accounting standard	-	(30.69)
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	11.01	(6.91)
	8,932.31	5,178.26

Nature and purpose of reserves

a) Capital reserve

The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve

b) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

c) Employee stock options outstanding

The employee stock options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

13. Borrowings

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Non-current borrowings :-		
From banks		
Term loans (secured) [refer note (i) to (vii) below]	22,704.76	30,113.03
Vehicle loans (secured) [refer note (ix) below]	39.28	34.50
Others		
Debt portion of Compulsory convertible debentures	3,430.96	-
Current maturity of long term borrowings :-		
Term loans (secured) [refer note (i) to (vii) below]	5,720.08	5,191.44
Vehicle loans (secured) [refer note (ix) below]	32.56	38.61

Notes forming part of the Consolidated financial statements

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on borrowings	209.18	196.03
	32,136.82	35,573.61
Less: Amount disclosed under "other current financial liabilities" [refer note 18(iii)]	6,310.65	5,426.08
	25,826.17	30,147.53
Aggregate Secured loans	32,136.82	35,573.61
Aggregate Unsecured loans	-	-

Term loan from banks :

- i) Term loan from Yes Bank Limited amounting to Rs. 6,886.84 Lakhs (March 31, 2019: Rs. 7686.32 Lakhs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/ equipments/ vehicles specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 32 structured quarterly instalments commenced from 3rd December 2016 carrying interest rate ranging from 8.70% p.a. to 13.00% p.a..
- ii) Term loan from Yes Bank Limited amounting to Rs. 1,943.04 Lakhs (March 31, 2019: Rs. 2,900.62 Lakhs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/ equipments/ vehicles specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 20 structured quarterly instalments commenced from 3rd December 2016 carrying interest rate ranging from 8.70% p.a. to 12.85% p.a.
- iii) Term loan from Yes Bank Limited amounting to Rs. 2,762.62 Lakhs (March 31, 2019: Rs. 3759.56 Lakhs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/ equipments/ vehicles specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 20 structured quarterly instalments commenced from 28rd February 2019 carrying interest rate ranging from 8.70% p.a. to 9.25% p.a.
- iv) Term loan from IndusInd Bank Limited amounting to Rs. 2,687.33 Lakhs (March 31, 2019: Rs. 3,760.15 lakhs) was secured by way of first pari passu charge on the entire fixed assets (moveable and immoveable, excluding vehicles) of the Company, existing and future. The loan was repayable in 16 structured quarterly instalments to be commenced from 30th September 2018 carrying interest rate of 8.95% p.a. to 9.65%.
- v) Term loan from Yes Bank Limited amounting to Rs. 2,426.06 Lakhs (March 31, 2019: Rs. 2,706.76 Lakhs) was secured by way of first pari passu charge on the movable fixed assets (excluding assets/ equipments/ vehicles specifically charged to other lenders) and immovable fixed assets both present and future. The loan was repayable in 32 structured quarterly instalments to be commenced from 1st December 2017 carrying interest rate of 8.70% p.a. to 9.75%.
- vi) Term loan from IDFC Bank Limited amounting to Rs. 1,791.97 Lakhs (March 31, 2019: Rs. 2,752.92 lakhs) is secured by way of First pari-pasu charge on entire fixed assets (moveable and immoveable excluding vehicles) of the company, existing and future. The loan is repayable in 27 structured quarterly instalments commenced from September 03, 2018 carrying interest rate of 9.15% p.a.

Notes forming part of the Consolidated financial statements

vii) The Company has taken secured term loan facility for 117,00 Lakhs loan from ICICI Bank Limited. Out of this facility the company has drawn 86,000 lakhs till March 31, 2020. Exclusive charge by way of mortgage/hypothecation/assignment/security interest / charge / pledge upon following (both present and future) on:

- 1 Paripassu charge over project developed on the property;
- 2 All present and future tangible moveable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixture and all other moveable fixed assets in relation to the property
- 3 All present and future scheduled receivables to the extent received by the borrower
- 4 The escrow account alongwith all monies credited / deposited therein
- 5 The DSRA
- 6 30% of shareholding of the company held by Max Estates Limited
- 7 The security as required by the lender shall be created and perfected in form and manner satisfactory to the lenders and shared on pari passu basis between the lenders
- 8 Post creation of security, the project shall provide a security cover of 2 times during the entire tenure of facility on outstanding loan amount

viii) The Company has taken secured term loan facility for 4,500 Lakhs loan from ICICI Bank Limited. Out of this facility the company has drawn 1,500 lakhs till March 31, 2020. Exclusive charge by way of mortgage/hypothecation/assignment/security interest / charge / pledge upon following (both present and future) on:

- 1 Paripassu charge over project developed on Max House Okhla Project;
- 2 All present and future tangible moveable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixture and all other moveable fixed assets in relation to the property
- 3 All present and future scheduled receivables to the extent received by the borrower
- 4 The escrow account alongwith all monies credited / deposited therein
- 5 The DSRA
- 6 Corporate guarantee from Max Ventures and Industries Limited and Pharmax Corporation Limited
- 7 The security as required by the lender shall be created and perfected in form and manner satisfactory to the lenders and shared on pari passu basis between the lenders

Notes forming part of the Consolidated financial statements

Vehicle loan (secured) :

- ix) Vehicle loans amounting to Rs. 71.84 Lakhs (March 31, 2019: Rs. 34.50 Lakhs) are secured by way of hypothecation of respective vehicles. The loans are repayable in 3 to 5 years. The rate of interest varies between 10.00% p.a. to 11.50% p.a.

The Company has complied with all the covenants related to borrowings obtained by the Company.

14. Trade payables

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	247.94
	-	247.94

Trade payables include due to related parties. Refer note 39(b)

* Details of dues to micro and small enterprises as per MSMED Act, 2006

As per the Act, the Group is required to identify the micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with such suppliers. Based on the information available with the Group, none of the creditors have confirmed the applicability of act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The interest due on unpaid principal amount remaining as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	Nil	Nil

Notes forming part of the Consolidated financial statements

(ii) Other non current financial liabilities

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Security deposits	982.60	216.67
Deferred assured rental	239.30	-
	1,221.90	216.67

15. Long term provision

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for gratuity (refer note 35.0)	708.99	514.56
Provision for sinking fund	89.84	-
	798.83	514.56

16. Deferred tax liabilities

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(i) Deferred tax liability		
Fixed Assets: Impact of differences in depreciation in block of fixed assets as per tax books and financial books	-	0.77
Others	867.31	419.21
Deferred tax liability	867.31	419.98
(ii) Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the period but allowed for tax purposes on payment basis	571.81	(5,252.80)
Unabsorbed depreciation/ Business Losses	4,705.10	5,214.11
Others	(5,976.89)	-
Gross deferred tax assets	(699.98)	(38.69)
Mat Credit	1,137.79	877.31
Deferred Tax Asset	437.81	838.62

17. Other non current liabilities

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Government grants	1,287.06	1,329.03
	1,287.06	1,329.03
Movement of government grant is as below:		
At the beginning of the period	1,329.03	1,284.41
Received during the period	-	44.61
Released to the statement of profit and loss	(41.97)	-
At the end of the period	1,287.06	1,329.03

* Government grant is pertaining to duty saved under EPCG and advance license for import of capital goods and raw material.

Notes forming part of the Consolidated financial statements

18. Current financial liabilities

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(i) Borrowings		
From Bank		
Cash credit from banks (secured) [refer note (i) below]	3,299.15	1,965.73
Working capital demand loan (secured) [refer note (ii) below]	9,186.33	8,700.00
Buyers credit (secured) [refer note (iii) below]	11,846.97	11,099.14
	24,332.45	21,764.87

Notes

(i) Cash credit facilities:

Cash credit facilities from Indusind Bank Limited, Yes Bank Limited and IDFC Bank Limited are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company, both present and future. The rate of interest on cash credit varies between banks ranging from 9.25% p.a. to 10.45% p.a. and are repayable on demand.

Cash credit facilities from HDFC Bank are repayable on demand and are secured by a first pari passu charge on entire stocks and book debts of the Company. The rate of interest on cash credit was 9.25% p.a. and are repayable on demand.

Cash credit facilities from Kotak Bank are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company and a residual hypothecation charge on all existing and future moveable fixed assets of the Company. The rate of interest on cash credit varies between banks ranging from 9.40% p.a. to 10% p.a. and are repayable on demand.

Cash credit facilities from ICICI Bank are repayable on demand and are secured by a first pari passu charge on current assets of the company, both present and future and a residual charge on moveable fixed assets of the company, both present and future. The rate of interest on cash credit varies between banks ranging from 9.37% p.a. to 9.90% p.a. and are repayable on demand.

(ii) Working capital demand loan:

Working capital demand loan from IDFC Bank Limited, Yes Bank Limited and HDFC Bank Limited are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company, all present and future. The tenor of WCDL ranges between 30 to 180 days. The rate of interest on working capital demand loans varies between 9.5% p.a. to 11% p.a.

Working capital demand loan from HDFC Bank are repayable on demand and are secured by a first pari passu charge on entire stocks and book debts of the Company. The tenor of WCDL ranges between 30 to 180 days. The rate of interest on working capital demand loans varies between 8.6% p.a. to 9.25% p.a.

Working capital demand loan from Kotak Bank are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company and a residual hypothecation charge on all existing and future moveable fixed assets of the Company. The tenor of WCDL ranges

Notes forming part of the Consolidated financial statements

between 30 to 180 days. The rate of interest on working capital demand loans varies between 9.77% p.a. to 10% p.a.

Working capital demand loan from ICICI Bank are repayable on demand and are secured by a first pari passu charge on current assets of the company, both present and future and a residual charge on moveable fixed assets of the company, both present and future. The tenor of WCDL ranges between 30 to 180 days. The rate of interest on working capital demand loans varies between 9.14% p.a. to 9.75% p.a.

(iii) Buyer credit :

Buyer credit foreign currency facility from IndusInd Bank Limited Rs 11,847 Lacs (March 31, 2019: Rs. 11,099 lacs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable within a year carrying interest rate ranging from 0.22% p.a. to 2.57% p.a..

Undrawn borrowings:

Cash credit/ Working capital demand loan/ Packing credit/ Bill discounting facilities from Yes Bank Limited, Kotak Mahindra Bank Limited, IndusInd Bank Limited, IDFC Bank Limited, HDFC Bank Limited and ICICI Bank Limited have been sanctioned to the tune of Rs 6,000 Lakhs, Rs 5,000 Lakhs, Rs. 2,000 Lakhs, Rs 4,000 Lakhs, Rs. 4,000 Lakhs and Rs. 3,000 Lakhs respectively. The amount undrawn against the sanctioned facility as on March 31, 2020 from Yes Bank Limited, Kotak Mahindra Bank Limited, IndusInd Bank Limited, IDFC Bank Limited, HDFC Bank Limited and ICICI Bank Limited is Rs. 906.85 Lakhs, Rs. 5,000 Lakhs, Rs. 24.32 Lakhs, Rs. 599.95 Lakhs, Rs. 260.90 Lakhs and Rs. 664.94 Lakhs respectively. Drawn borrowing includes non fund facilities{(Letter of credit- Yes Bank Limited, Kotak Mahindra Bank Limited, IndusInd Bank Limited, IDFC Bank Limited, HDFC Bank Limited and ICICI Bank Limited Nil, Nil, Rs 1,127.97 Lakhs, Rs. 536.90 Lakhs, Nil and Rs. 1,392.67 Lakhs respectively), (Bank guarantee Yes Bank Limited, Kotak Mahindra Bank Limited, IndusInd Bank Limited, IDFC Bank Limited, HDFC Bank Limited Limited and ICICI Bank Limited Nil, Nil, Rs 500 Lakhs, Nil, Nil and Rs. 500 Lakhs respectively)}.

(ii) Trade payables

	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 14)	444.22	346.17
Total outstanding dues of creditors other than micro enterprises and small enterprises #	13,465.21	17,972.96
	13,909.43	18,319.13

Trade payables include due to related parties. Refer Note 39 (b) for amount due to related parties.

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 0 - 180 day terms

Notes forming part of the Consolidated financial statements

(iii) Other current financial liabilities

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Current maturity of long term borrowings (refer note 13)	6,310.65	5,426.08
Security deposits	234.22	47.35
Interest accrued but not due on borrowings	27.11	80.24
Capital creditors	104.52	350.43
Premium on Redemption of CRPS	3,340.14	
	10,016.64	5,904.10

(iv) Derivative instruments at fair value through profit or loss

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Foreign exchange forward contracts		448.28
	-	448.28

19. Short term provision

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Provision for leave encashment (refer note 35.1)	339.20	257.78
- Provision for gratuity (refer note 35.0)	65.75	89.83
Provision for taxation	7.30	77.62
	412.25	425.23

20. Other current liabilities

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Advance from customers	686.11	14,253.03
Government Grant	291.56	120.55
Unearned income	329.02	-
Statutory dues	615.63	376.18
	1,922.32	14,749.76
Movement of government grant is as below:		
At the beginning of the period	120.55	239.38
Received during the period	1,114.94	844.41
Released to the statement of profit and loss	(943.93)	(963.24)
At the end of the period	291.56	120.55

Notes forming part of the Consolidated financial statements

21. Revenue from operations

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Sale of products		
Bi-axially oriented polypropylene film	94,348.82	85,747.40
Revenue from sale of constructed properties and lease income	38,012.21	3,719.35
Total	132,361.03	89,466.75
Revenue from services		
Income from shared services	232.93	136.53
Other operating Income		
Net Gain on sale of non-current investments	986.40	-
Fair value gain on non-current investments at fair value through profit or loss	1,807.80	1,051.21
Income from facility management	579.81	-
Job work charges	1.49	-
Export benefits	469.63	362.33
Waste of plastic sale	412.70	285.84
Income from government grant	1,369.75	966.93
Total	138,221.54	92,269.59
Reconciling the amount of revenue recognised in the Statement of profit and loss with the contracted price		
Revenue as per Contracted Price	96,812.52	88,340.92
Adjustments:		
Discounts and others (includes cash discount)	(2,463.70)	(2,290.41)
Revenue From Contract with Customers	94,348.82	86,050.51

Performance obligation

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 180 days from delivery.

22. Other income

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Interest income on		
- on fixed deposits	740.11	646.80
- on security deposit	6.22	47.41
- others	-	151.23
Gain on mutual fund investments	260.82	332.21
Fair value gain on financial instruments at fair value through profit or loss	-	(213.03)
Liabilities/provisions no longer required written back	26.97	167.38
Gain on foreign exchange fluctuation (net)	651.27	443.65
Net gain on disposal of property, plant and equipment	-	266.61
Scrap sale	0.43	297.95
Gain on stake sale of investment	19.42	-
Miscellaneous income	22.83	131.16
	1,728.07	2,271.37

Notes forming part of the Consolidated financial statements

23. Cost of raw materials consumed / Cost of land, plots, development rights, constructed properties and others

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Inventories at beginning of year	5,401.18	4,375.62
Add: Purchases during the year	76,109.07	87,055.21
Less: inventory at the end of year	5,721.50	5,401.18
Cost of raw materials consumed	75,788.75	86,029.65

24. Change in inventories of finished goods, traded goods and work in progress

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
a) Inventories at end of the year		
Work in progress-		
Real Estate	4,598.06	75,679.20
BOPP Film	2,581.40	2,250.39
Finished goods*	2,309.60	1,408.89
	9,489.06	79,338.48
b) Acquisition adjustment- Real Estate	-	2,574.18
c) Inventories at beginning of the year		
Work in progress-		
Real Estate	75,679.20	62,430.01
BOPP Film	2,250.39	1,047.00
Finished goods	1,408.89	1,061.84
	79,338.48	64,538.85
Transferred to investment property	45,031.93	-
Net (Increase)/ decrease in finished goods, traded goods and work-in-progress (c+b-a)	24,817.49	(12,225.45)
Details of inventory		
Work-in-progress		
BOPP Film	2,581.40	2,250.39
Real Estate	4,598.06	75,679.20
	7,179.46	77,929.59
Finished goods		
BOPP Film	2,309.60	1,408.89
	2,309.60	1,408.89

25. Employee benefits expense

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Salaries, wages and bonus	4,789.26	3,673.99
Contribution to provident and other funds	235.66	223.98
Employee stock option scheme	14.10	36.91
Gratuity expense (refer note 35.0)	119.00	103.57
Staff welfare expenses	257.77	235.41
	5,415.79	4,273.86

Notes forming part of the Consolidated financial statements

26. Finance costs

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Interest on term loan	4,896.64	2,921.13
Interest on lease	335.68	-
Interest on others	1,435.76	975.25
Bank charges	747.98	594.87
	7,416.06	4,491.25
Less: Finance cost capitalised	(320.82)	(301.80)
	7,095.24	4,189.45

27. Depreciation and amortization expense

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Depreciation of tangible assets (refer note 3)	3,360.53	2,960.31
Depreciation of tangible assets and investment property (refer note 3)	819.21	-
Depreciation of tangible assets finance lease (refer note 3)	357.99	-
Amortization of intangible assets (refer note 4)	73.97	87.21
	4,611.70	3,047.52

28. Other expense

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Consumption of stores and spares	764.11	650.84
Power and fuel	5,287.82	4,903.24
Processing charges	52.74	49.18
Recruitment and training expenses	38.39	35.72
Rent (refer note no 34(c))	617.21	358.72
Insurance expenses	223.75	215.06
Rates and taxes	117.84	215.37
Repairs and maintenance:		
Building	125.66	135.29
Plant and equipments	575.56	318.70
Others	425.62	298.52
Printing and stationery	30.70	51.99
Travelling and conveyance	489.10	459.86
Communication costs	52.52	58.99
Legal and professional (refer note no 28.1)	1,503.02	488.55
Directors' sitting fees	128.18	100.00
Advertisement and sales promotion	633.46	453.89
Product development expenses	-	17.69
Commission to other than sole selling agents	113.56	-

Notes forming part of the Consolidated financial statements

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Freight and forwarding charges	3,491.71	2,914.92
Quantity discount	83.48	-
Loss on sale of fixed assets (net)	0.43	3.40
Impairment loss	-	194.02
Bad debts written off	165.54	22.59
Charity and donation	5.60	1.10
CSR expenditure (refer note no 40)	116.20	66.33
Assets Written Off	-	10.79
Shared Service charges	254.68	281.27
Miscellaneous expenses	232.37	0.01
	15,529.25	12,306.04

28.1 Payment to auditor (included in legal and professional fee)

	(Rs. in Lakhs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
As auditor:		
Audit fee	59.73	47.91
Other services (certification fees)*	13.25	12.96
Reimbursement of expenses	1.47	5.21
	74.45	66.08

- 29 The subsidiary follows financial year as accounting year. However, the financial statements of Max Speciality Films Limited, Max Estates Limited, Max I. Limited, Max Learning Limited and Wise Zone Builders Private Limited has been consolidated from the date of incorporation/acquisition of the entities

Name of the Subsidiary	Principal activities	Country of Incorporation	Proportion of ownership as at	
			March 31, 2020	March 31, 2019
Subsidiary				
Max Speciality Films Limited	Manufacturing and selling of a wide range of sophisticated packaging unmetallised BOPP films and metallised BOPP films including High Barrier films, Thermal Lamination films and Leather finishing foils;	India	51%*	51%*
Max Estates Limited	Construction and development of residential and commercial properties	India	100%	100%
Max I. Limited	Making investments in various companies and primarily engaged in growing and nurturing these business investments	India	100%	100%

Notes forming part of the Consolidated financial statements

Name of the Subsidiary	Principal activities	Country of Incorporation	Proportion of ownership as at	
			March 31, 2020	March 31, 2019
Max Asset Services Limited (formerly known as Max Learning Limited)	Facility management services for commercial real estate	India	100%	100%
Northern Propmart Solutions Limited	Construction and development of residential and commercial properties	India	51%	0%
Pharmax Corporation Limited	Construction and development of residential and commercial properties	India	85%	0%
Wise Zone Builders Private Limited	Construction and development of residential and commercial properties	India	100%	100%

* Refer note 43

30 Income Taxes

(Rs. in Lakhs)

	for year ended March 31, 2020	for year ended March 31, 2019
(a) Income tax expense in the statement of profit and loss comprises :		
Current Income Tax		
Current income tax charge	1,686.18	371.68
Adjustment in respect of current income tax of previous year	9.32	(75.12)
Deferred Tax		
Relating to origination and reversal of temporary differences	586.55	(444.53)
Income tax expense reported in the statement of profit or loss	2,282.05	(147.97)

31 Components of Other comprehensive income (OCI) (Retained earnings)

(Rs. in Lakhs)

	for year ended March 31, 2020	for year ended March 31, 2019
Cost of hedging reserve	94.21	(94.21)
Income tax effect	(32.97)	32.97
Re-measurement (gains)/ losses on defined benefit plans (refer note: 35.0)	(65.51)	36.60
Income tax related to items recognized in OCI during the period/year	23.20	(6.62)
Income tax related to items recognized in OCI during the year	18.93	(31.26)

Notes forming part of the Consolidated financial statements

32 Earnings Per Share (EPS)

	(Rs. in Lakhs)	
	for year ended March 31, 2020	for year ended March 31, 2019
Basic EPS		
Profit after tax (Rs. in Lakhs)	3,743.04	(2,310.51)
Net profit/(loss) for calculation of basic EPS	3,743.04	(2,310.51)
Weighted average number of equity shares outstanding during the year (Nos.)	146,608,510	118,737,904
Basic earnings per share (Rs.)	2.55	(1.95)
Dilutive EPS		
Profit after tax (Rs. in Lakhs)	3,743.04	(2,310.51)
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	146,802,078	118,949,139
AntiDiluted/Diluted earnings per share (Rs.)	2.55	(1.95)
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)		
Weighted average number of equity shares outstanding during the year (Nos.)	146,608,510	118,737,904
Add: ESOP/Warrants	193,568	211,235
	146,802,078	118,949,139

33 Income Tax

The major components of income tax expense for the year March 31, 2020, and March 31, 2019 are :

Statement of profit and loss :

	(Rs. in Lakhs)	
	for year ended March 31, 2020	for year ended March 31, 2019
Current income tax :		
Current tax	1,686.18	371.68
Adjustment of tax relating to earlier years	9.32	(75.12)
Deferred tax :		
Relating to origination and reversal of temporary differences	586.55	(444.53)
Income tax expense reported in the statement of profit and loss	2,282.05	(147.97)

OCI section :

Deferred tax related to items recognised in OCI during in the year :

	(Rs. in Lakhs)	
	for year ended March 31, 2020	for year ended March 31, 2019
Net loss/(gain) on remeasurements of defined benefit plans	(9.77)	26.35
Tax related to items recognized in OCI during the period/ year	(9.77)	26.35

Notes forming part of the Consolidated financial statements

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019

	(Rs. in Lakhs)	
	for year ended March 31, 2020	for year ended March 31, 2019
Accounting profit/ (loss) before tax	6,691.39	(3,080.11)
Accounting profit/ (loss) before income tax	6,691.39	(3,080.11)
At India's statutory income tax rate of 25.17%-29.12 % (March 31, 2019: 28.84 %)	1,991.81	(1,005.42)
Non-Taxable Income for tax purposes:		
Others	(182.28)	90.69
Non-deductible expenses for tax purposes:		
Disallowances on account of exempt income u/s 14A	-	95.80
Other non-deductible expenses	44.03	(49.60)
Tax relating to earlier years	41.00	(78.86)
Others		
Losses of subsidiary not being considered for deferred tax	387.49	799.41
At the effective income tax rate	2,282.05	(147.97)
Income tax expense reported in the statement of profit and loss	2,282.05	(147.97)
Total tax expense	2,282.05	(147.97)

Deferred tax relates to the following:

	(Rs. in Lakhs)	
	March 31, 2020	March 31, 2019
Deferred tax liabilities	867.31	419.97
Accelerated depreciation for tax purposes	3.56	0.77
Difference in book base and tax base in investments	-	-
Impact on fair valuation of investments	689.19	-
Others	174.56	419.21
Gross deferred tax liabilities (a)	867.31	419.97
Deferred tax assets	(699.98)	(38.69)
Effect of expenditure debited to the statement of Profit and Loss in the current year/earlier years but allowed for tax purposes in following years	571.81	(5,252.80)
Unabsorbed depreciation/ Business Losses	4,705.10	5,214.11
Others	(5,976.89)	-
Gross deferred tax assets (b)	(699.98)	(38.69)
Mat Credit (c)	1,137.79	877.31
Deferred tax liabilities/(asset) (net)	429.50	(418.65)
Disclosed as		
Deferred tax liabilities	867.31	419.98
Deferred tax asset	437.80	838.62
Deferred tax liabilities/(asset) (net)	429.51	-418.64

Notes forming part of the Consolidated financial statements

Reconciliation of deferred tax liabilities (net):

	(Rs. in Lakhs)	
	March 31, 2020	March 31, 2019
Opening balance as of	(418.64)	110.43
Tax expense/(income) during the period recognised in the statement of profit or loss	586.55	(298.83)
Tax expense/(income) during the period recognised in OCI	1.13	26.35
Net Balance	169.04	(162.05)
Mat Credit	260.48	(256.59)
Closing balance as at March 31, 2020	429.52	(418.64)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

34 a. Commitments and contingencies

A. Contingent liabilities not provided for

		(Rs. in Lakhs)	
S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
i.	Claims against the Group not acknowledged as debts (Refer note (a))	141.92	3,174.10
ii.	Contingent liability for pending C form's from customers (Refer note (b))	23.90	24.26
iii.	Bank Gurantee	-	232.32

Note:

- a. Contingent liability with respect to item (i) above represents disputed excise and service tax demands pertaining to various years ranging from Financial Year 2005-06 to 2014-15.

All these matters are pending with various judicial/appellate authorities and the Company believes that it has merit in these cases and more likely than not the Company will succeed in these cases.

The Customs Excise and Service Tax Appellate Tribunal (CESTAT), Chandigarh has issued a favorable order in the case related to valuation of waste and scrap for captive consumption, wherein the appeal filed by the Company for the period July 2000 to July 2015 has been allowed.

Pursuant to order of CESTAT, Chandigarh, the Company has filed for refund of the pre-deposit amounting to Rs. 298.79 lacs along with interest with the Assistant Commissioner of Central Goods and Service Division, Phagwara. The detailed order of the CESTAT in the said matter is awaited.

- b. Contingent liability for pending C forms from customers represent pending liability against C forms for FY 2017-18 upto June 30, 2017. The Company is under process of collecting the same from respective customers and the Company believes that the same would be collected before assessment of respective years.

Notes forming part of the Consolidated financial statements

- c There are numerous interpretative issues relating to the Hon'ble Supreme Court (SC) judgement on Provident Fund dated 28th February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision on receiving further clarity on the subject.
- d During the year, the Company has received an order from the Assessing Officer (AO) for AY 2017-18 making certain disallowances and thereby reducing the returned losses for such year by Rs. 634.32 lakhs. The management has filed an appeal against such order of the AO with the Commissioner of Income Tax (Appeals) and based on discussion with legal consultants, is confident that such disallowances will not sustain. Hence, no provision or contingency has been made in these financial statements.

B Capital and other commitments

A. Capital commitment

	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,154.89	1,137.40
Less: Capital advances	277.50	19.17
Net capital commitment for acquisition of capital assets	2,877.39	1,118.23

C Comitments and contingencies

Company as a lessee

The Company has lease contracts for buidling (other than factory building) from its related party. The Leases generally have lease terms 33 months. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning or sub leasing the leased assets.

The Company has certain leases with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised and the movements during the year:

	(Rs. in Lakhs)	
Particulars	Building	Total
As at April 01, 2019	467.45	467.45
Additions	2,810.57	2,810.57
Reclassified from prepaid expenses	17.28	17.28
Depreciation expense	357.99	357.99
As at March 31, 2020	2,937.31	2,937.31

Notes forming part of the Consolidated financial statements

The carrying amounts of lease liabilities and the movements during the year:

(Rs. in Lakhs)

Particulars	Building	Total
As at April 01, 2019	467.45	467.45
Additions	2,798.53	2,798.53
Accretion of interest	335.68	335.68
Payments	505.17	505.17
As at March 31, 2020	3,096.49	3,096.49

Particulars	Building
Current lease liabilities	594.44
Non-current lease liabilities	2,502.05
Total	3,096.49

The details regarding the maturity analysis of lease liabilities as at March 31, 2020 on an undiscounted basis:

(Rs. in Lakhs)

Particulars	Building	Total
Within one year	624.39	624.39
After one year but not more than five years	1,718.50	1,718.50
More than five years	3,025.08	3,025.08
Total	5,367.97	5,367.97

Considering the lease term of the leases, the effective interest rate for lease liabilities is 11% and 9.40%.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss:

(Rs. in Lakhs)

Particulars	Building	Total
Depreciation expense of right-of-use assets	357.99	357.99
Interest expense on lease liabilities	335.68	335.68
Expense relating to leases of low-value assets (included in other expenses)	0.29	0.29
Total amount recognised in profit or loss	693.96	693.96

35. Gratuity

The Group has a defined benefit gratuity plan. Under Gratuity Plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Max Speciality Films Limited has

Notes forming part of the Consolidated financial statements

purchased insurance policy, which is basically a year - on - year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset.

Description of Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

- i) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- ii) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- iii) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- iv) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability

The following table summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans :

		(Rs. in Lakhs)	
		March 31, 2020	March 31, 2019
a)	Reconciliation of opening and closing balances of defined benefit obligation		
	Defined benefit obligation at the beginning of the period/year	664.06	657.88
	Interest costs	45.42	56.49
	Current service cost	78.47	67.52
	Benefit paid	(24.35)	(81.84)
	Acquisition adjustment	7.30	0.60
	Remeasurement of (Gain)/loss in other comprehensive income	65.51	(36.60)
	Defined benefit obligation at period/year end	836.41	664.06
b)	Reconciliation of opening and closing balances of fair value of plan assets		
	Fair value of plan assets at beginning of the period/ year	59.67	55.87
	Interest Income	4.29	3.79
	Benefits paid	(2.29)	-
	Remeasurement of (Gain)/loss in other comprehensive income	-	0.01
	Fair value of plan assets at year end	61.67	59.67

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

	March 31, 2020	March 31, 2019
c) Net defined benefit asset/ (liability) recognized in the balance sheet		
Fair value of plan assets	61.67	59.67
Present value of defined benefit obligation	836.41	664.06
Amount recognized in balance sheet- asset / (liability)	(774.74)	(604.39)
d) Other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	0.17	(0.08)
Actuarial changes arising from changes in financial assumptions	(10.79)	5.39
Actuarial changes arising from changes in experience adjustments	(54.88)	31.29
	(65.51)	36.60
e) Net defined benefit expense (recognized in the statement of profit and loss for the period/year)		
Current service cost	78.47	67.52
Interest cost on benefit obligation	45.42	56.49
Capitalised as investment property / cost of goods sold	(4.88)	(20.45)
Net defined benefit expense debited to statement of profit and loss	119.00	103.57
f) Broad categories of plan assets as a percentage of total assets		
Insurer managed funds in Max Speciality Films Limited , Subsidiary	100%	100%

g) **Principal assumptions used in determining defined benefit obligation**

Assumption particulars	As At March 31, 2020	As At March 31, 2019
Discount rate	6.55%	7.3%-7.8%
Future Salary Increases	8.00%	8% - 10%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%

h) **Quantitative sensitivity analysis for significant assumptions is as below:**

(Rs. in Lakhs)

	March 31, 2020	March 31, 2019
Increase / (decrease) on present value of defined benefits obligations at the end of the period/year		
<u>Discount rate</u>		
Increase by 0.50%	(58.86)	(44.88)
Decrease by 0.50%	66.59	50.54
<u>Salary growth rate</u>		
Increase by 0.50%	62.63	48.39
Decrease by 0.50%	55.02	(43.85)

Notes forming part of the Consolidated financial statements

i) Maturity profile of defined benefit obligation (valued on undiscounted basis)

	(Rs. in Lakhs)	
	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	65.75	46.54
Between 2 and 5 years	268.90	222.65
Beyond 5 Years	501.76	394.88
Total expected payments	836.41	664.07

- j) The average duration of the defined benefit plan obligation at the end of the reporting period is 12 - 21 Years (March 31, 2019 : 12 -20 years)
- k) The Group expects to contribute Rs 63.42 Lakhs (March 31, 2019: Rs. 89.52 Lakhs) to the planned assets during the next financial year.
- l) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
- m) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- n) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

o) Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Notes forming part of the Consolidated financial statements

35.1 Employee Stock Option Plan

Employee Stock Option Plan – 2006 (“the 2006 Plan”):

Pursuant to the Scheme of Demerger, with respect to the employee’s stock options granted by the De-Merged company i.e. Max Financial Services Limited (MFS) to its employees (irrespective of whether they continue to be employees of MFS or become employees of the Company) shall be allotted one stock option by the Company under the new ESOP scheme for every five stock option held in MFS. Accordingly, ESOP outstanding as on the effective date in MFS shall be allocated between the demerged company and resulting companies. Accordingly, 500,712 stock options were granted to the employees of MFS and outstanding as on Effective date i.e. January 15, 2016 are eligible for stock options under new ESOP scheme on similar terms and conditions. Further, the Nomination and Remuneration Committee, in its meeting held on March 23, 2018, granted 193,570 stock options to certain employees effective from April 1, 2018 under the 2006 Plan.

The details of activity under the Scheme are summarized below:

Particulars	March 31, 2020		March 31, 2019	
	Number of options	Weighted Average	Number of options	Weighted Average
		exercise price (Rs.)		exercise price (Rs.)
Outstanding at the start of the year	216,850	62.77	222,170	21.97
Option grant during the year	-	-	193,570	67.40
Forfeited during the year	-	-	-	-
Exercised during the year	23,280	24.27	198,890	21.70
Outstanding at the end	193,570	67.40	216,850	62.77
Exercisable at the end	82,890	67.40	1,130	10.00

For options exercised during the year, the weighted average share price at the exercise date was Rs.24.27 per share (March 31, 2019: Rs 21.70) per share.

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2020 are as follows:

Date of grant	March 31, 2020		March 31, 2019	
	Number of options	Weighted average	Number of options	Weighted average
		remaining life in years		remaining life in years
21-Jan-16	-	-	23,280	0.75
01-04-2018 (Grant Type I)	110,205	3.50	110,205	3.50
01-04-2018 (Grant Type II)	83,365	4.00	83,365	4.00

Notes forming part of the Consolidated financial statements

The Company has constituted an Employee Stock Option Plan - 2016 which have been approved by the Board in the meeting held on 9th August 2016 and by shareholders of the Company in its annual general meeting held on September 27, 2016 based on similar terms and conditions to the relevant ESOP plan of MFSL. During the year ended March 31, 2020, 23,280 (March 31, 2019 - 198,890) nos of stock options were allotted/exercised by the aforesaid option holders by the Company. The 2016 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees of the Company. Further, the Company extended the ESOP plan to directors and employees of its subsidiaries by obtaining approval of the shareholders in its annual general meeting held on September 24, 2019. The 2016 Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors.

The 2016 Plan gives an option to the employee to purchase the share at a price determined by Nomination and Remuneration committee (NRC) subject to minimum par value of shares (Rs. 10/-). The Company has valued Employee Stock Option outstanding as at year end presuming all the employees will exercise their option in favor of cash settlement or equity settlement based on trend. No options were granted during the year.

35.2 Provident Fund

The Holding Company and Max Speciality Films Limited, subsidiary of the Company is participating in a provident fund trust "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its affiliates, which is managed by Max Financial Services Limited. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per Ind AS-19.

The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Group.

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation for "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max Financial Services Limited and its affiliates based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2020 as per the actuarial valuation of active members are as follows:

	(Rs. in Lakhs)	
	March 31, 2020	March 31, 2019
Plan assets at year end at fair value	3,032.65	2,385.69
Present value of defined benefit obligation at year end	3,006.76	2,335.60
Surplus as per actuarial certificate	25.89	50.09
Shortfall recognized in balance sheet	-	-
Active members as at year end (Nos)	424	428

Notes forming part of the Consolidated financial statements

Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

	March 31, 2020	March 31, 2019
Discount rate	5.45%	6.76%
Yield on existing funds	8.51%	8.65%
Expected guaranteed interest rate	8.50%	8.65%

Contribution to Defined benefit Plan, recognized as expense for the year is as under:

	March 31, 2020	March 31, 2019
Employer's Contribution towards Provident Fund (PF)	106.09	93.87
	106.09	93.87

36 Hedging activities and derivatives

Derivative not designated as hedging instruments.

The Group uses foreign exchange forward contracts, to manage its foreign currency exposures. These contracts are not designated as cash flow hedges and are entered into for periods consistent with underlying transactions exposure with general tenure of 1 to 5 months.

37 Fair value of Financial instruments

The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value:

(Rs. in Lakhs)				
Category	Carrying value		Fair value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial asset at amortized cost				
Non-Current				
Loans (refer note no 5)	743.70	467.53	743.70	467.53
Financial assets (refer note no 5)	777.27	0.25	777.27	0.25
Current				
Loans (refer note no 9)	88.12	621.55	88.12	621.55
Other-current financial assets (9)	1,053.91	332.72	1,053.91	332.72
Financial asset measured at fair value				
Non-Current				
Investments (refer note no 5)	10,406.99	10,096.89	10,406.99	10,096.89
Current				
Current derivative instruments (refer note no 9)	124.78	-	124.78	-
Current investments (refer note no 9)	2,787.30	-	2,787.30	-
Financial liabilities at amortized cost				
Non-Current borrowings including current maturities (refer note 13 and (18(iii)))	32,136.82	35,573.61	32,136.82	35,573.61
Current borrowings (refer note 18(i))	24,332.45	21,764.87	24,332.45	21,764.87

Notes forming part of the Consolidated financial statements

The Group's management assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors and other current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of loan taken, other non current financial assets and other non current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable inputs in the model, of which the significant observable inputs are market rate of interest which is 9-11% approximately. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

The fair value of investment in unquoted equity shares/ debt instruments and preference shares have been estimated using a discounted cash flow model. The valuation requires the management to make certain assumptions about the model inputs, including growth rate, discount rate etc. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments

The Group has investment in quoted mutual funds being valued at quoted market price in active markets.

The Group enters into derivative financial instruments such as foreign exchange forward contracts being valued using valuation techniques, which employs the use of market observable inputs. The Company uses Mark to Market provided by Bank for valuation of these derivative contracts.

The fair values of the Group's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2020 was assessed to be insignificant.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Notes forming part of the Consolidated financial statements

- (i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2020

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Loans (refer note no 5 (ii))	743.70	-	743.70	-
Current Loans (refer note no 9(iii))	88.12	-	88.12	-
Other-current financial assets (9(vii))	1,053.91	-	1,053.91	-
Non-Current investments (refer note no 5(i))	10,406.99	-	-	10,406.99

- (ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2019

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2019	Fair value		
		Level 1	Level 2	Level 3
Loans (refer note no 5 (ii))	467.53	-	467.53	-
Current Loans (refer note no 9(iii))	621.55	-	621.55	-
Other-current financial assets (9(vii))	332.72	-	332.72	-
Non-Current investments (refer note no 5(i))	10,096.89	-	-	10,096.89
Current investments (refer note no 9(i))	-	-	-	-

- (iii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2020

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note 13, 18(iii))	32,136.82	-	32,136.82	-
Current borrowings (refer note 18(i))	24,332.45	-	24,332.45	-

- (v) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2019

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2019	Fair value		
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note 13,18(iii))	35,573.61	-	35,573.61	-
Current borrowings (refer note 18(i))	21,764.87	-	21,764.87	-

Notes forming part of the Consolidated financial statements

Reconciliation of fair value measurement of investment in unquoted equity shares/debentures/preference shares/venture capital fund measured at FVTPL: (Level III)

Particulars	(Rs. In Lakhs)
As at March 31, 2018	9027.67
Purchase	19.22
Impact of fair value movement sales	1,050.00
As at March 31, 2019	10,096.89
Purchase	83.14
Impact of fair value movement sales	226.96
As at March 31, 2020	10,406.99

The significant unobservable inputs used in the fair value measurement categorised with Level 3 of the fair value hierarchy together with quantitative sensitivity analysis as on March 31, 2020 and March 31, 2019.

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Increase/decrease in rate	March 31, 2020	March 31, 2019
Unquoted debentures, Preference shares and Equity Shares of Azure Hospitality Private Limited	DCF	Growth Rate	1%	Increase in Growth rate by 1% leads to profit higher by Rs. 2,394 lakhs and decrease in growth rate by 1% leads to profit lower by Rs. 1,596 lakhs	Increase in Growth rate by 1% leads to profit higher by Rs. 2,394 lakhs and decrease in growth rate by 1% leads to profit lower by Rs. 1,596 lakhs
Unquoted debentures, Preference shares and Equity Shares of Azure Hospitality Private Limited	DCF	Discount rate	1%	Increase in Discount rate by 1% leads to profit lower by Rs. 339 lakhs and decrease in growth rate by 1% leads to profit higher by Rs. 355 lakhs	Increase in Discount rate by 1% leads to profit lower by Rs. 339 lakhs and decrease in growth rate by 1% leads to profit higher by Rs. 355 lakhs
Unquoted equity shares of FSN E-Commerce Ventures Private Limited	DCF	Growth Rate	1%	Increase in Growth rate by 1% leads to profit higher by Rs. 322 lakhs and decrease in growth rate by 1% leads to profit lower by Rs. 258 lakhs	Increase in Growth rate by 1% leads to profit higher by Rs. 192 lakhs and decrease in growth rate by 1% leads to profit lower by Rs. 151 lakhs
Unquoted equity shares of FSN E-Commerce Ventures Private Limited	DCF	Discount rate	1%	Increase in Discount rate by 1% leads to profit lower by Rs. 373 lakhs and decrease in growth rate by 1% leads to profit higher by Rs. 470 lakhs	Increase in Discount rate by 1% leads to profit lower by Rs. 203 lakhs and decrease in growth rate by 1% leads to profit higher by Rs. 259 lakhs

The IAN Fund is a fund holding units in seed and early stage start-up companies and many of the such

Notes forming part of the Consolidated financial statements

companies has recently started operations. The change in the valuation by 1% may not have material impact on the Group.

38 Financial risk management objectives and policies

The Group has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by Banking and Forex department under policies approved by the Board of Directors from time to time. The Banking and Forex department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The Board of Directors approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

The Group is exposed to market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Group, duly supported by various Groups and Committees.

a) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Group while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Senior management of the Group.

The table below represents the maturity profile of Group's financial liabilities at the end of March 31, 2020 and March 31, 2019 based on contractual undiscounted payments :-

	(Rs. in Lakhs)			
	0-1 Years	1-5 Years	More than 5 Years	Total
<u>March 31, 2019</u>				
Interest bearing borrowings	27,190.95	29,938.08	583.87	57,712.90
Trade payable	18,319.13	247.94	-	18,567.07
Other financial liabilities	682.73	-	-	682.73
<u>March 31, 2020</u>				
Interest bearing borrowings	30,643.10	25,826.17	-	56,469.27
Trade payable	13,909.43	-	-	13,909.43
Other financial liabilities	3,705.99	-	-	3,705.99

Notes forming part of the Consolidated financial statements

Interest bearing borrowings

Excludes interest cash outflow as borrowings are on floating rate of interest.

Reconciliation of Interest bearing borrowings

(Rs. in Lakhs)

	Schedule no	As at March 31, 2020	As at 31-Mar-19
(i) Non-Current borrowings	13	25,826.17	30,147.53
(ii) Short-term borrowings	18	24,332.45	21,764.87
(iii) Current maturity of long term borrowings	18	6,310.65	5,426.08
Processing fees adjusted from borrowings		-	374.42
		56,469.27	57,712.90

Reconciliation of other financial liability

(Rs. in Lakhs)

	Schedule no	As at March 31, 2020	As at 31-Mar-19
Other financial liabilities	18	10,016.64	6,108.81
Less: Current maturities of long term borrowings	18	(6,310.65)	(5,426.08)
		3,705.99	682.73

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables), including deposits with banks, foreign exchange transactions and other financial assets.

(i) Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management team assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. An impairment analysis is performed at each reporting date on group/category basis. The calculation is based on exchange losses historical data and available facts as on date of evaluation. Trade receivables comprise a widespread customer base. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made in bank

Notes forming part of the Consolidated financial statements

deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Group.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019, March 31, 2020 is the carrying amounts as illustrated in note 5 and 9.

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2020, and March 31, 2019.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro, Rand and GBP exchange rates, with all other variables held constant. The impact on the Group profit before tax is due to changes in the fair value of monetary assets and liabilities.

Notes forming part of the Consolidated financial statements

Unhedged foreign currency exposures recognized by the Group are as under:

(Rs. in Lakhs)						
Currency	March 31, 2020 Foreign currency	March 31, 2020 Indian rupees	Currency	Increase/ decrease in rate	Impact on profit before tax (Decrease in rate)	Impact on profit before tax (Increase in rate)
Trade payables	3.96	334.23	Euro	1%	3.34	(3.34)
Capital trade payables	0.72	61.25	Euro	1%	0.61	(0.61)
Buyers credit-Short term borrowings	139.27	11,735.02	Euro	1%	117.35	(117.35)
Trade receivables	10.60	870.28	Euro	1%	8.70	(8.70)
Interest Accrued but not due on Buyers Credit	0.24	20.26	Euro	1%	0.20	(0.20)
Trade payables	0.07	6.59	GBP	1%	0.07	(0.07)
Trade receivables	1.29	118.44	GBP	1%	1.18	(1.18)
Trade payables	28.59	2,170.00	USD	1%	21.70	(21.70)
Trade receivables	35.01	2,626.71	USD	1%	26.27	(26.27)
Buyers credit-Short term borrowings	1.87	141.93	USD	1%	1.42	(1.42)
Interest Accrued but not due on Buyers Credit	0.01	0.58	USD	1%	0.01	(0.01)

(Rs. in Lakhs)						
Currency	March 31, 2019 Foreign currency	March 31, 2019 Indian rupees	Currency	Increase/ decrease in rate	Impact on profit before tax (Decrease in rate)	Impact on profit before tax (Increase in rate)
Trade payables	3.06	241.76	Euro	1%	2.42	(2.42)
Capital trade payables	0.01	0.53	Euro	1%	0.01	(0.01)
Buyers credit-Short term borrowings	139.27	11,005.23	Euro	1%	110.05	(110.05)
Trade receivables	7.85	598.99	Euro	1%	5.99	(5.99)
Interest Accrued but not due on Buyers Credit	0.42	33.45	Euro	1%	0.33	(0.33)
Trade payables	0.01	1.23	GBP	1%	0.01	(0.01)
Trade receivables	3.13	278.70	GBP	1%	2.79	(2.79)
Trade payables	27.01	1,888.98	USD	1%	18.89	(18.89)
Trade receivables	31.04	2,124.22	USD	1%	21.24	(21.24)
Buyers credit-Short term borrowings	1.87	130.77	USD	1%	1.31	(1.31)
Interest Accrued but not due on Buyers Credit	0.01	0.70	USD	1%	0.01	(0.01)
Trade payables	11.25	7.15	JPY	1%	0.07	(0.07)

Notes forming part of the Consolidated financial statements

The Group has derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. The details of the outstanding foreign exchange forward are as follows:

Particulars	Currency	March 31, 2020		March 31, 2019	
		Foreign currency	Indian Rupee	Foreign currency	Indian Rupee
Receivables (Forward contract Sell)	USD	7.39	534.11	-	-
Receivables (Forward contract Sell)	GBP	-	-	1.40	124.54
Payables (Forward contract Buy)	USD	0.94	69.48	0.94	65.38
Payables (Forward contract Buy)	Euro	121.76	10,075.83	70.00	5,531.40

(ii) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation at floating interest rates

(Rs. in Lakhs)			
Year	Increase/decrease in interest rate	Effect on profit before tax (Decrease)	Effect on profit before tax (Increase)
March 31, 2020	0.50%	-153.22	153.22
March 31, 2019	0.50%	-139.46	139.46

* excludes short term borrowings i.e. Cash credit, packing credit and working capital demand loan.

iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activates require the ongoing purchase of raw material and therefore requires a continues supply. The Company operations may impact due to changes in prices of those raw materials.

Commodity price sensitivity of Raw material

Nature	Change in year end price	Effect on profit before tax
For the year ended March 31, 2020	10%	(6,939.99)
For the year ended March 31, 2020	-10%	6,939.99
For the year ended March 31, 2019	10%	(6,919.54)
For the year ended March 31, 2019	-10%	6,919.54

Notes forming part of the Consolidated financial statements

39 Related party disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not

Subsidiary companies	Max Speciality Films Limited
	Max Estates Limited
	Max I. Limited
	Max Asset Services Limited (formerly known as Max Learning Limited)
Step down subsidiary	Wise Zone Builders Private Limited
	Pharmax Corporation Limited
	Northern Propmart Solutions Limited

Names of other related parties with whom transactions have taken place during the year

Key management personnel	Mr. Sahil Vachani (Managing Director)
	Mr. Analjit Singh (Director)
	Mr. Nitin Kumar Kansal (Chief Financial Officer)
	Mr. Gopalakrishnan Ramachandran (Company Secretary) upto February 25, 2019
	Mr. Mohit Talwar
	Mr. K. Narasimha Murthy
	Mr. Dinesh Kumar Mittal
	Mr. Niten Malhan (w.e.f. November 8, 2019)
	Ms. Sujata Keshavan Guha (upto July 24, 2018)
	Mr. Ashok Brijmohan Kacker
Relatives of Key Management personnel	Ms. Gauri Padmanabhan (w.e.f. November 26, 2018)
	Mr. Veer Singh (Son of Mr. Analjit Singh - Director)
Entities controlled or jointly controlled by person or entities where person has significantly influence	Ms. Piya Singh (Daughter of Mr. Analjit Singh - Director)
	Max Ventures Private Limited
Entities controlled or jointly controlled by person or entities where person has significantly influence	Piveta Estates Private Limited
	Siva Realty Ventures Private Limited
	New Delhi House Services Limited
	Vana Enterprises Limited
	Four Season Foundation
	Lake View Enterprises
	Siva Enterprises Private Limited
	Leeu Collections South Africa Pty Limited
	Azure Hospitality Private Limited
	Max Healthcare Institute Limited
	Max Life Insurance Company Limited
	Max Bupa Health Insurance Company Limited
	Antara Senior Living Limited
	Antara Purukul Senior Living Limited
	Icare Health Projects And Research Private Limited
	Max India Limited
	Max India Foundation
	Max Financial Services Limited
	Riga Foods LLP
	M/s Analjit Singh (HUF)
	Trophy Estates Private Limited
	Max UK Limited
Employee benefit Trust	Max Financial Services Limited Employees' Provident Fund Trust
	Max Speciality Films Limited Employees Group Superannuation Trust

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39(a) Details of transactions and balance outstandings with related parties

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
1	Reimbursement of expenses (Received from)	Max Ventures Private Limited	0.72	0.19
		Total	0.72	0.19
2	Reimbursement of expenses (Paid to)	Max Financial Services Limited	158.19	163.32
		New Delhi House Services Limited	75.45	51.84
		Max Ventures Private Limited	0.60	0.23
		Max Life Insurance Company Limited	3.67	7.21
		Max Healthcare Institute Limited	0.02	0.08
		Vana Enterprises Limited	9.80	-
		Antara Senior Living Limited	-	15.63
		Antara Purukul Senior Living Limited	0.09	9.38
		Riga Foods LLP	-	5.74
		Total	247.82	253.43
3	Shared Services rendered (to)	Max Ventures Private Limited	40.00	50.47
		Piveta Estates Private Limited	-	3.74
		Antara Senior Living Limited	159.88	
		Pharmax Corporation Limited	-	4.17
		Four Season Foundation	-	1.10
		Siva Realty Ventures Private Limited	33.04	-
		Max Financial Services Limited		9.41
		Max India Limited		46.24
		Total	232.92	115.13
4	Insurance expense	Max Life Insurance Company Limited	16.31	65.51
		Max Bupa Health Insurance Company Limited	26.51	31.11
		Total	42.82	96.62
5	Travelling and conveyance	Max Ventures Private Limited		0.53
		Total	-	0.53
6	Legal and professional	Max UK Limited	0.74	6.08
		Max India Limited	12.80	-
		Total	13.54	6.08
7	Repair & Maintenance	New Delhi House Services Limited	57.76	-
		Total	57.76	-
8	Interest recd. on Securty Deposit	Forum 1 Aviation Limited	2.92	
		Total	2.92	-
9	Sale of Investment	Max Ateev Limited	718.48	-
		Total	718.48	-

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
10	Premium on Redemption of 9% Cumulative Redeemable Preference Shares	Max India Limited	3,340.14	-
		Total	3,340.14	-
11	Sales of BOPP films	Toppan Printing Co. Limited	133.41	-
		Total	133.41	-
12	Payment of lease liabilities	Lakeview Enterprises	43.93	-
		Piya Singh	73.22	-
		Total	117.16	-
13	Interest expense on lease liabilities	Lakeview Enterprises	14.53	-
		Piya Singh	24.21	-
		Total	38.74	-
14	Rent expense (Paid to)	Lakeview Enterprises	-	64.84
		Piya Singh	-	108.07
		SKA diagnostics	29.17	-
		Max Life Insurance Company Limited	763.67	-
		Total	792.84	172.91
15	Purchase of Tangible Assets	Max Ventures Investment Holdings P. Ltd.	6.53	-
		Pharmax Corporation Limited	-	2,700.00
		Total	6.53	2,700.00
16	Contribution to employee benefit Trust	Max Financial services Limited Employees' Provident Fund Trust	131.31	118.72
		Max Speciality Films Limited Employees Group Superannuation Trust	16.23	15.06
		Total	147.54	133.78
17	Key managerial remuneration - Short term employment benefits	Sahil Vachani	279.20	239.76
		Saket Gupta	31.45	-
		Nitin Kumar Kansal	103.57	86.35
		Gopalakrishnan Ramachandran	-	55.37
		Total	414.22	381.48
18	Key managerial remuneration - Post employment benefits*	Sahil Vachani	7.40	6.68
		Nitin Kumar Kansal	5.02	4.65
		Saket Gupta	1.41	-
		Gopalakrishnan Ramachandran	-	1.92
		Total	13.83	13.25

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
19	Sitting Fees to Directors	Analjit Singh	4.00	3.00
		Mohit Talwar	15.00	16.00
		K.N Murthy	17.00	28.00
		D.K Mittal	21.00	18.00
		Sujata Keshavan	-	1.00
		Ashok Kacker	16.00	15.00
		Gauri Padmanabhan	6.00	-
		Niten Malhan	1.00	-
		Total	80.00	81.00
20	Revenue from Project	Max India Limited	8,234.78	-
		Max Life Insurance Company Limited	27,990.79	-
		Total	36,225.58	-
21	Project Management Consultancy (rendered to)	Leeu Italy SRL	29.16	-
		The Unstuffy Hotel Co Limited	12.77	-
		Vanavastra Private Limited	15.00	-
		Total	56.93	-
22	Marketing secondment fees paid	Antara Purukul Senior Living Limited	30.00	-
		Antara Senior Living Limited	87.25	-
		Total	117.25	-
23	Revenue from Other operating income	Vanavastra Private Limited	13.52	-
		Max Ateev Limited	0.22	-
		Max One Distribution And Services Limited	0.11	-
		Max Ventures Private Limited	0.05	-
		Max Financial Services Limited	0.01	-
		Max Skill First Limited	0.72	-
		Max Life Insurance Company Limited	235.75	-
		SEE-Max India	0.13	-
		Max India Foundation	5.37	-
		Max India Limited	144.38	-
		Total	634.75	-
24	Security deposit (received)	Lakeview Enterprises	83.90	-
		Max India Limited	25.45	-
		Vanavastra Private Limited	1.86	-
		Vanavastra Private Limited	10.59	-
		RIGA Foods LLP	6.18	-
		Total	127.98	-
25	Security deposit (given)	SKA Diagonstics	12.50	-
			12.50	-

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
26	Land development rights taken	Trophy Estates Private Limited	537.73	45.48
		Mr Analjit Singh	627.57	53.07
		Mr Analjit Singh HUF	108.95	9.21
		Total	1,274.25	107.76
27	Interest on Initial Capex Pay Back	Trophy Estates Private Limited	-	6.87
		Mr Analjit Singh	-	8.02
		Mr Analjit Singh HUF	-	1.39
		Total	-	16.28

(b) Balances outstanding at year end

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	As at March 31, 2020	As at March 31, 2019
1	Statutory dues payable	Max Speciality Films Limited Employees Group Superannuation Trust	1.36	1.26
		Max Financial Services Limited Employees' Provident Fund Trust	11.35	9.29
		Total	12.71	10.55
2	Trade Receivables	Max Ventures Private Limited	-	181.10
		Piveta Estates Private Limited	-	0.29
		Max Financial Services Limited	-	10.16
		Antara Senior Living Limited	22.87	-
		Leeu Italy SRL	3.96	-
		Max Ateev Limited	0.06	-
		Max Life Insurance Company Limited	5.53	-
		Max One Distribution And Services Limited	0.06	-
		Max Skill First Limited	0.39	-
		Vanavastra Private Limited	0.89	-
		Siva Realty Ventures (P) Ltd.	0.32	-
		The Unstuffy Hotel Co Limited	12.77	-
		Four Season Foundation	-	0.02
		Toppan Printing Co. Limited	30.87	-
		Max India Limited	25.30	8.12
		Max India Foundation	0.11	7.06
		Total	103.13	206.75

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	As at March 31, 2020	As at March 31, 2019
3	Other Receivables	Max Ventures Private Limited	5.14	8.43
		Piveta Estates Private Limited	9.65	15.65
		Max Life Insurance Co. Limited	0.61	0.45
		Total	15.40	24.52
	Advance to party	Max India Foundation	14.22	-
		SKA Diagnostic Private Limited	37.83	-
		Total	52.05	-
	Lease liabilities	Piya Singh	45.16	-
		Lakeview Enterprises	27.10	-
		Total	72.26	-
	Security Deposit made	SKA Diagnostic Private Limited	12.50	-
		Total	12.50	-
4	Security Deposit (Receivable)	LakeView Enterprises	24.59	28.99
		Antara Senior Living Limited	83.90	-
		Max India Limited	25.45	-
		Vanavastra Private Limited	12.45	-
		RIGA Foods LLP	6.18	-
		Piya Singh	40.98	48.32
		Total	193.55	77.31
5	Trade payables	New Delhi House Services Limited	45.40	7.11
		Piya Singh	-	17.54
		Max Ventures Private Limited	-	59.42
		Piveta Estates Private Limited	6.82	6.82
		Max UK Limited	-	2.54
		Max Healthcare Institute Limited	0.02	0.02
		Vana Enterprises Limited	9.80	-
		Max India Limited	3,493.99	-
		Max Skill First Limited	0.18	-
		Vana Retreats Pvt. Ltd.	1.91	-
		Max Life Insurance Company Limited	207.54	-
		Antara Purukul Senior Living Limited	-	4.25
		Pharmax Corporation Limited	-	2,443.36
		Max Financial Services Limited	165.18	167.40
		Antara Senior Living Limited	12.91	5.63
		Total	3,943.75	2,714.09

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	As at March 31, 2020	As at March 31, 2019
6	Advances recoverable in cash or kind	Max Bupa Health Insurance Company Limited	0.43	1.28
		Max Financial Services Limited	-	3.96
		Lakeview Enterprises	-	5.68
		Max Life Insurance Company Limited	1.59	0.57
		Total	2.02	11.49
7	Development rights paid in advance #	Trophy Estates Pvt Ltd	-	80.39
		Mr Analjit Singh	-	225.53
		Mr Analjit Singh HUF	-	15.54
		Total	-	321.46
8	Advance from customers on area cancellation	Max India Limited	-	7,320.00
		Max Life Insurance Company Limited	-	6,710.00
		Total	-	14,030.00

* The remuneration to the key managerial person does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period / year-end are unsecured and interest free and settlement occurs in cash\kind. There have been no guarantees provided or received for any related party receivables or payables. There is no impairment of receivables relating to amounts owed by related parties (March 31, 2019: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes forming part of the Consolidated financial statements

40 Expenditure on corporate social responsibility activities :

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been framed by the Group. The areas for CSR activities are promoting preventive health care, promoting education, promoting gender equality and empowering women, ensuring environment sustainability and protection of flora and fauna, training to promote rural sports and rural development projects.

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	In cash (Rs. in Lakhs)	Yet to be paid in cash	Total (Rs. in Lakhs)	In cash (Rs. in Lakhs)	Yet to be paid in cash	Total (Rs. in Lakhs)
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On Purposes other than (i) above :						
a) Promoting education	-	-	-	2.26	-	2.26
b) Ensuring environment sustainability and protection of flora and fauna	-	-	-	-	-	-
c) Health care services	-	-	-	-	-	-
d) Rural development projects	-	-	-	-	-	-
e) Training to promote rural sports	-	-	-	-	-	-
f) Promoting gender equality and empowering women	-	-	-	-	-	-
g) Contribution to Skill development programmes	-	-	-	47.22	-	47.22
h) Others	116.20	-	116.20	16.85	-	16.85
Total	116.20	-	116.20	66.33	-	66.33

41 Segment reporting

For management purposes, based on the guiding principles given in IND AS 108 on "Segment Reporting" the Group's business segments include: Packaging film, real estate, education and Business investments. No operating segments have been aggregated to form the above reportable operating segments

The Management reviews the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Notes forming part of the Consolidated financial statements

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(Rs. in Lakhs)

PARTICULARS	Packaging Films		Real Estate		Education / Facility management		Business investments		Total	
	for the year ended March 31, 2020	for the year ended March 31, 2019	for the year ended March 31, 2020	for the year ended March 31, 2019	for the year ended March 31, 2020	for the year ended March 31, 2019	for the year ended March 31, 2020	for the year ended March 31, 2019	for the year ended March 31, 2020	for the year ended March 31, 2019
1. REVENUE										
External sales (Gross)	96,602.39	85,747.40	38,012.21	3,719.35	796.58	-	-	-	135,411.19	89,466.75
Other Operating Income		1,616.31		15.49			2,794.21	1,171.04	2,794.21	2,802.84
Inter segment sales	-	-		74.33	-	-	2,965.84	2,449.79	2,965.84	2,524.12
Total Revenue	96,602.39	87,363.71	38,012.21	3,809.17	796.58	-	5,760.05	3,620.83	141,171.24	94,793.71
Less: Inter Segment sales	-	-	153.89	74.33	62.88	-	2,732.93	2,449.79	2,949.70	2,524.12
Total revenue	96,602.39	87,363.71	37,858.32	3,734.84	733.70	-	3,027.12	1,171.04	138,221.54	92,269.59
2. RESULTS										
Segment results	8,258.76	2,284.18	3,222.49	(306.04)	(70.40)	(412.86)	2,375.77	(455.94)	13,786.63	1,109.34
Unallocated expenses (net of income)									-	-
Operating profit	8,258.76	2,284.18	3,222.49	(306.04)	(70.40)	(412.86)	2,375.77	(455.94)	13,786.63	1,109.34
Interest expense and finance cost	-	-	-	-	-	-	-	-	7,095.24	4,189.45
Profit before tax	-	-	-	-	-	-	-	-	6,691.39	(3,080.11)
Provision for taxation	-	-	-	-	-	-	-	-	2,282.05	(147.97)
Net (Loss)/Profit before minority interest	-	-	-	-	-	-	-	-	4,409.34	(2,932.14)
-Minority interest	-	-	-	-	-	-	-	-	666.30	(621.63)
Net Loss/(Profit)	-	-	-	-	-	-	-	-	3,743.04	(2,310.51)
3. OTHER INFORMATION										
A. ASSETS										
Segment assets	82,211.95	83,063.84	86,078.85	82,503.46	487.31	80.68	18,133.07	22,887.84	186,911.18	188,535.82
Unallocated assets									1,051.12	1,286.54
Total assets	82,211.95	83,063.84	86,078.85	82,503.46	487.31	80.68	18,133.07	22,887.84	187,962.30	189,822.36
B. LIABILITIES										
Segment liabilities	56,822.41	59,753.94	21,778.42	33,276.42	543.18	19.35	3,679.39	1,017.39	82,823.40	94,067.10
Unallocated liabilities									867.45	419.98
Total liabilities	56,822.41	59,753.94	21,778.42	33,276.42	543.18	19.35	3,679.39	1,016.58	83,690.85	94,487.08
C. OTHERS										
Capital expenditure	1,529.73	27,880.98	65,399.72	72.57	1.81	150.79	507.01	453.42	67,438.28	28,557.76
Depreciation and amortisation expense	3,533.98	2,997.42	771.73	16.90	1.30	14.05	304.69	19.15	4,611.70	3,047.52
Non cash expenses other than Depreciation	165.54	22.59	-	0.73	-	204.80	-	2.67	165.54	230.80

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis. Current taxes, deferred taxes and

Notes forming part of the Consolidated financial statements

certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis. Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

The following table shows the distribution of the Group's consolidated revenue by geographical market, regardless of where the goods were produced.

(Rs. in Lakhs)		
Gross Revenue	for year ended March 31, 2020	for year ended March 31, 2019
i. within India	115,060.60	74,834.80
ii. Outside India	23,160.94	17,553.97
	138,221.54	92,388.77

The revenue from external customer includes revenue from one customer which is equal to 10% or more of entity's revenue. Gross amount of revenue amounts to Rs. 13,181.41 Lakhs ; (March 31, 2019: Rs. 12,513.36 Lakhs)

(Rs. in Lakhs)		
Trade receivables	As at March 31, 2020	As at March 31, 2019
i. within India	9,147.22	11,902.99
ii. Outside India	3,802.43	3,206.52
Total Trade receivables (Gross)	12,949.65	15,109.51
Less: Provision for doubtful receivables	-	125.02
Trade receivables	12,949.65	14,984.49

The Group has common fixed assets for manufacturing goods for domestic market and overseas market. Hence, separate figures for fixed assets/additions to fixed assets cannot be furnished.

- b) Non-current assets other than investments ,tax assets, net defined benefit assets (relating to post-employment benefit plans), and rights arising under insurance contracts:

(Rs. in Lakhs)		
	As at March 31, 2020	As at March 31, 2019
i. within India	128,425.41	62,126.91
ii. Outside India	-	-
	128,425.41	62,126.91

- 42 During the year ended March 31, 2019, the Holding Company (Max Venturees and Industries Limited) issued 7,37,53,787 equity shares of the company of face value of Rs. 10/- each ("Rights Equity Shares") at an issue price of Rs. 61 per Rights equity share (including a premium of Rs. 51 per Rights equity share) on rights basis.

Notes forming part of the Consolidated financial statements

Proceeds from the rights issue have been utilized upto March 31, 2020 in the following manner

(Rs. in Lakhs)

	Planned	Actual
Gross Proceeds through the rights issue	44,989.81	44,989.81
Less: Issue expenses	593.30	593.30
Net proceeds of the issue after deducting the issue related expenses from the rights issue	44,396.51	44,396.51
Net proceeds of the issue after deducting the issue related expenses from the rights issue	44,396.51	44,396.51

Utilization:

(Rs. in Lakhs)

	Planned	Actual
Investment in Max Estates Limited, one of our Subsidiaries, for further investment in Wise Zone Builders Private Limited (WZBPL), step down subsidiary for pre-payment / repayment of loan availed from IDFC Bank Limited for repayment to Piveta Estates Private Limited	25,000.00	25,000.00
Investment in Max Estates Limited for further investment in WZBPL, for construction and completion of Max Towers in the Delhi One project	7,525.00	7,525.00
Investment in Max Estates Limited for purchase of interest in property and a portion of the land at Max House (Okhla Project) from Pharmax Corporation Limited	2,430.00	2,430.00
General corporate purpose	9,441.51	9,441.51
Total	44,396.51	44,396.51
Unutilised proceeds		-

43 Material Partly owned subsidiaries

Max Speciality Films Limited is a material partly owned subsidiary. Financial information of non-controlling interests in it is provided below:

a) Proportion of equity interest held by non-controlling interests:

Country of Incorporation	March 31, 2020	March 31, 2019
India	49%	49%

b) Information regarding non-controlling interest

(Rs. in Lakhs)

	March 31, 2020	March 31, 2019
Accumulated balances of material non-controlling interest	16,775.31	11,612.95
Profit/(loss) allocated to material non-controlling interest	732.57	(12.49)

The summarised financial information of the subsidiary are provided below. This information is based on amounts before inter-company eliminations.

Notes forming part of the Consolidated financial statements

Summarised statement of profit and loss for the year ended March 31, 2020 and March 31, 2019:

	(Rs. in Lakhs)	
Particulars	March 31, 2020	March 31, 2019
Revenue (including other incomes)	97,331.74	89,112.64
Cost of raw material and components consumed	70,631.60	70,745.82
Changes in inventories of finished goods, traded goods, stock in trade and work-in-progress	(1,231.72)	(1,550.44)
Excise duty on sale of goods	-	-
Employee benefits expense	3,925.75	3,320.97
Other expenses	12,932.96	11,420.62
Depreciation and amortization expense	3,533.98	2,997.41
Finance costs	5,332.87	4,040.86
Profit before tax	2,206.30	(1,862.61)
Less: Income tax	727.34	(593.97)
Profit for the year	1,478.96	(1,268.63)
Add/(Less): Other Comprehensive Income/loss	16.15	(49.63)
Total comprehensive income	1,495.11	(1,318.26)
Attributable to non-controlling interests	732.57	(645.98)
Dividends paid to non-controlling interests	-	-

Summarised balance sheet as at March 31, 2020 and March 31, 2019

	(Rs. in Lakhs)	
Particulars	March 31, 2020	March 31, 2019
Current assets, including cash and cash equivalents	27,434.57	26,704.79
Non-current assets	55,324.44	57,190.88
Assets classified as held for sale	-	-
Current liabilities, including tax payable	42,667.02	39,905.29
Non-current liabilities, including deferred tax liabilities	14,896.92	20,290.42
Total equity	25,195.07	23,699.96
Attributable to:		
Equity holders of parent	13,582.12	12,087.01
Non-controlling interest	11,612.95	11,612.95

Summarised cash flow information as at March 31, 2020 and March 31, 2019

	(Rs. in Lakhs)	
Particulars	March 31, 2020	March 31, 2019
Operating	8,349.77	5,485.92
Investing	(1,778.83)	(5,936.49)
Financing	(6,482.30)	14.33
Net increase/(decrease) in cash and cash equivalents	88.63	(436.25)

Notes forming part of the Consolidated financial statements

44 Business combinations and acquisition of non-controlling interests

Acquisitions during the year ended 31 March 2020

On November 25, 2019, the Group acquired 85.17% of equity shares of Pharmax Corporation Limited. The fair values of the identifiable assets and liabilities of A Limited as at the date of acquisition were:

	Fair Value (INR Lakhs)
Assets	
Property, plant and equipment	6.20
Investment Property	8,974.80
Investment	699.06
Loans	38.00
Trade receivables	0.47
Cash and Cash equivalents	8.57
Other financial assets	2,337.42
Other current assets	57.12
Total Assets	12,121.64
Liability	
Other financial liabilities	126.46
Trade payables	171.17
Other financial liabilities	4,693.57
Other current liabilities	0.21
Total liabilities	4,991.41
Total identifiable net assets at fair value	7,130.23
Non-controlling interests measured at fair value	1,057.18
Purchase consideration transferred	6,073.05

From the date of acquisition, Pharmax Corporation Limited has contributed INR 22.99 lacs of revenue and INR (61.69) lacs to the profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been INR 138,241.05 lacs and the profit before tax from continuing operations for the Group would have been INR 6,508.75 lacs.

45 Details of expenditure on research and development activities is as under

	(Rs. in Lakhs)	
	March 31, 2020	March 31, 2019
Revenue expenditures		
Salary & wages (including other employee benefits)	153.83	170.54
Raw material, stores and spare consumed	81.10	59.38
Total revenue expenditure	234.93	229.92
Capital expenditure (included in Property plant and equipment)		
Capital equipments	149.53	-
Total capital expenditure	149.53	-

Notes forming part of the Consolidated financial statements

46 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital attributable to the equity shareholders of the Group, securities premium and all other equity reserves. The primary objective of the Group's capital management is that it maintain an efficient capital structure and maximize the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 30% to 60%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, other bank balances.

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Borrowings	50,158.62	51,912.40
Other financial liabilities	10,016.64	5,904.10
Trade payables	13,909.43	18,567.07
Less: Cash and Cash equivalents	1,192.16	716.85
Other Bank Balances	9,707.52	11,224.70
Net Debt	63,185.01	64,442.02
Equity Share Capital	14,662.41	14,660.08
Other Equity	72,833.73	69,062.25
Non-controlling interest	16,775.31	11,612.95
Total Equity	104,271.45	95,335.28
Total Capital and net debt	167,456.46	159,777.30
Gearing ratio	38%	40%

47 Additional information:

Name of the Subsidiary	As at March 31, 2020				As at March 31, 2019			
	Net Assets i.e. total assets minus total liabilities#		Share in Total Comprehensive Income		Net Assets i.e. total assets minus total liabilities		Share in Total Comprehensive Income	
	As % of consolidated net assets	(Rs. in Lakhs)	As % of consolidated profit or loss	(Rs. in Lakhs)	As % of consolidated net assets	(Rs. in Lakhs)	As % of consolidated profit or loss	(Rs. in Lakhs)
Parent								
Max Ventures and Industries Limited	4.59%	4,782.87	27.90%	1,235.31	14.57%	12,198.26	-29.83%	883.96
Subsidiary								
Max Speciality Films Limited	24.87%	25,936.59	33.76%	1,495.11	14.96%	12,522.91	44.48%	(1,318.26)
Max Estates Limited	13.29%	13,856.43	-28.80%	(1,275.56)	7.25%	6,069.24	65.34%	(1,936.33)
Max I. Limited	8.94%	9,325.23	37.33%	1,652.89	11.49%	9,621.68	-6.77%	200.66
Northern Propmart Solutions Limited*	10.09%	10,517.59	-1.25%	(55.37)	0.00%	-	0.00%	-
Pharmax Corporation Limited*	6.96%	7,258.23	-4.76%	(210.81)	0.00%	-	0.00%	-
Max Asset Services Limited	-0.03%	(26.87)	-1.95%	(86.55)	0.07%	61.33	16.53%	(489.92)
Wise Zone Builders Private Limited *	31.29%	32,621.38	37.79%	1,673.25	51.66%	43,248.91	10.24%	(303.52)
	100.00%	104,271.44	100.00%	4,428.28	100.00%	83,722.33	100.00%	(2,963.40)

* Step down subsidiary of Max Estates Limited

#net assets excludes non-controlling interest

Notes forming part of the Consolidated financial statements

48 The outbreak of Coronavirus disease (COVID-19) pandemic globally and in India and consequent nationwide lockdown ordered by the Governments is causing significant disturbance and slowdown of economic activity. Consequently, the management has assessed the impact of this pandemic on its business operations and has assessed the recoverability and carrying values of its financial and non-financial assets as at the balance sheet date using various internal and external information up to the date of approval of these consolidated financial statements. Basis this the management has concluded that neither there is any material adverse impact on operations of the Group nor any material adjustments required at this stage in the consolidated financial results of the Group for the year ended March 31, 2020.

However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of Covid-19 may be different from that estimated as at the date of approval of these consolidated financial results and the Group will continue to monitor any material changes to future economic conditions.

49 During the year, the subsidiary Company (Max Estates Limited) has incorporated a new subsidiary Northern Propmart Solutions Limited on June 24, 2019.

50 Effective November 25, 2019, Max Estates Limited acquired 85.17% in Pharmax Corporation Limited from Max India Limited and paid Rs. 6,073.05 lakhs towards its consideration.

51 The figures have been rounded off to the nearest Lakhs of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than Rs. 50,000/-. The previous year figures has been regrouped/ rearranged wherever necessary to make them comprable

The accompanying notes are integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership Number: 108044

Place : Gurugram

Date: June 5, 2020

For and on behalf of the Board of Directors of Max Ventures and Industries Limited

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : New Delhi

Date: June 5, 2020



MAX VENTURES & INDUSTRIES LIMITED

Max Towers, L-12, C-001/A/1, Sector - 16B, Noida - 201301 (U.P.)

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